

## rd Issues Surprise Call r Puerto Rico Statehood

ire Dispatches

Jan. 2—In a surprise move within his administration, President Jimmy Carter said today that any move for statehood should originate in Puerto Rico. He said that "until the Puerto Rican people themselves express a preference for statehood, the Congress should not make any move."

ographer seeking reaction found no celebration in the streets of San Juan. The proposal faces opposition in Congress, especially after President-elect Jimmy Carter said today that any move for statehood should originate in Puerto Rico. He said that "until the Puerto Rican people themselves express a preference for statehood, the Congress should not make any move."

state if the people who live there prefer that," he said in American, Ga. The President's plan rejected a 1975 proposal by a joint U.S.-Puerto Rican commission that called for a "compact of permanent union" allowing "maximum self-government and self-determination" for the Caribbean island, which was ceded to the United States by Spain after a war in 1898.

'Wait and See'

Mr. Ford spoke cautiously about whether Congress would pass his statehood proposal, telling reporters: "We'll have to wait and see." But administration sources said the President was optimistic.

When asked whether he thought the people of Puerto Rico would opt for statehood, Mr. Ford said that there has been "a pretty good indication that they are sympathetic."

Sources also said Mr. Ford ran into both strong opposition and strong support, within his administration and outside, when considering the plan. They said his ad hoc advisory group on the island was against the idea.

Mr. Ford finally decided to make the proposal just before leaving office because he felt anything less would be unjust to Puerto Ricans, since they are U.S. citizens, the sources said.

When pressed about the timing of his decision, Mr. Ford said Friday that he thought that now was "an appropriate time so no one could accuse me of political motives." Asked why he had not left the matter to the incoming president, Mr. Ford replied somewhat testily, "I am the President until Jan. 20."

A White House aide said that an additional motive for proposing statehood for Puerto Rico "was to send a message to [Premier Fidel] Castro and Cuba that the United States has a deep and active interest in the island and in the Caribbean as a whole."

New Governor Meased In Puerto Rico, the man who won the gubernatorial race this fall on a statehood party ticket and was inaugurated today issued a statement saying the people of his island must be "grateful" to Mr. Ford. But the man he ousted said Mr. Ford's decision runs counter to the will of most Puerto Ricans.

Puerto Rico, with 2.5 million inhabitants, was a U.S. territory until it became a commonwealth in July, 1952. In a 1967 plebiscite, the island's voters soundly rejected statehood in favor of remaining a commonwealth.

Although Puerto Ricans are U.S. citizens and participate in the Democratic and Republican national conventions, they cannot vote for president.

Submission of the legislation. Mr. Ford promised would be only the first in a long series of steps needed to make Puerto Rico a state, a process that would be completed—if it comes to that—well into Mr. Carter's term.

The statehood proposal first goes before the House and Senate Interior Committees where hearings must be held and bills reported out. Then the legislation



ON GUARD—Lebanese leftists patrol near the Israeli border during the weekend.

## New Cabinet's First Decree

## Lebanon Adopts Press Censorship

BEIRUT, Jan. 2 (NYT).—The Lebanese government decided yesterday to impose press censorship under a decree adopted by the Cabinet at a five-hour sitting headed by President Elias Sarkis.

The censorship will be applied by a special section of the police department now being set up, an announcement said. The date for starting the new measure was not mentioned, however.

[François Akl, managing editor of the independent daily *an-Nahar*, said the new law, "Legislative Decree No. 1," would "go into effect tomorrow, United Press International reported.]

This is the first legislation by the Cabinet of Selim al-Hoss since parliament a week ago gave it powers to rule by decree for six months.

The move was expected since the Syrian-dominated Arab League deterrer force occupied the offices of six daily newspapers and one weekly magazine last month.

Mr. Eos expressed the hope yesterday that the suspended publications would be able to resume publishing soon. They and the rest of the newspapers and periodicals, which total well over a hundred, will have to submit all material to the police censor before it is printed.

The decree authorized the censor to delete any part or all materials that may be presented to him. Violations will be punished by closure of the publication.

Information Center

It is not clear how the censorship will affect foreign press dispatches. Although a number of foreign correspondents and press bureaus had already moved somewhere else during the 19 months of civil war, the Lebanese capital remains a main information center in the Arab world.

Until a few years ago, all outgoing press dispatches had to be stamped by a police censor who

sat at the central post office. The arrangement was subsequently canceled.

Also to be subjected to censorship under the decree are all scripts for theatrical plays. This the government had done before the national strife broke out.

Press quarters believe the revival of the measure was related to plans by Lebanese writers to stage plays with themes derived from the civil war.

Press observers expect the projected censorship to be more

flexible than military censorship. Another decree issued by the Cabinet cut by about half the number of official holidays. Renosforth government offices will be closed only 14 days annually instead of 25.

Government sources said too much time had already been wasted and that all energies must be invested in the reconstruction of Lebanon. This in fact was the theme of the New York's message with which Mr. Sarkis opened the Cabinet meeting yesterday.

## U.S. Agrees to Lend Portugal \$300 Million Emergency Aid

By Marvyn Howe

LISBON, Jan. 2 (NYT).—The United States has agreed to a \$300-million emergency loan for Portugal to save the five-month-old Socialist government from a severe financial crisis.

The agreement, announced here today, was concluded during a two-day visit by U.S. Under Secretary of the Treasury Edwin Yeo after three months of quiet negotiations.

A joint U.S.-Portuguese statement said that the loan was "the first phase of the program of assistance designed to achieve financial stability and recovery of the Portuguese economy."

This was said to be an indirect reference to U.S. participation in a projected international consortium to provide an additional \$1.5 billion in long-term credit to Portugal. The Portuguese discussed the consortium with the U.S. Treasury official and are to resume talks with the Carter administration on the matter.

"The American loan gives us time to breathe while we reorganize our economic structures on a viable basis," Premier Mario Soares declared this morning after meeting with Mr. Yeo.

Economy Minister Antonio Sousa Gomes said earlier this week that if the U.S. loan was not approved by next month, Portugal would have to ration food and oil, curb imports and begin to sell off its gold reserves.

In concrete terms, the emergency loan will serve to alleviate Portugal's huge balance-of-payments deficit, which is now running at about \$1.2 billion. Portugal's foreign exchange holdings are practically depleted and one-third of its \$3.5 billion in gold is being used as collateral for earlier loans from Western Europe.

The U.S. loan is expected to be fiercely attacked by the Portuguese Communist party and the Social Democrats.

Portuguese officials said they expected delivery on the loan "very soon," before the new administration takes over in Washington. The credit will come from the Treasury Exchange Stabilization Fund and therefore does not need congressional approval. It will not need the authorization of the Portuguese National Assembly since it has been contracted directly by the Bank of Portugal.

## S. African Paper Gives Riot Toll

JOHANNESBURG, Jan. 2 (UPI).—The Johannesburg Rand Daily Mail says that, according to its investigations, 498 persons died in South Africa's race riots which began June 16 in the black township of Soweto, about 15 miles southwest of here.

The Mail's death toll includes riot victims in townships throughout the country between June 16 and Christmas. The list of names it published Friday is the closest to an accurate death count available.

Justice Minister Jimmy Kruger, meanwhile, extended for three months more a ban on outdoor public meetings. The only meetings not affected by the ban are sports gatherings and those held with the permission of a local magistrate.

## Pay Rise for Swedes

STOCKHOLM, Jan. 2 (Reuters).—Sweden's half-million state employees received wage rises averaging 3 per cent yesterday under an agreement between the government and civil servants' trade unions.

## Allon Is Cautious On Sadat's View Of Future State

From Wire Dispatches

JERUSALEM, Jan. 2.—Israeli Foreign Minister Yigal Allon said today the readiness of Egyptian President Anwar Sadat to recognize links between a future Palestinian state and Jordan could be a step in the right direction.

In an interview with The Washington Post last week (NYT, Dec. 31) Mr. Sadat said "a certain relation between the Palestinians and Jordan should be declared to take place whenever the Palestinian state is created." Mr. Allon told the Israeli Cabinet he regarded Mr. Sadat's statements as significant. But according to Cabinet sources, he said they were not new and in the past had been retracted in later statements.

Mr. Allon said other parts of the interview showed a hardening in Mr. Sadat's attitude toward the Geneva peace talks, with new preconditions, such as including Lebanon in the talks and insisting on an early Israeli withdrawal from territory captured in the 1967 war.

Some analysts, however, said that Mr. Sadat's statement would bring the Arab position closer to that of Israel, which opposes the establishment of a Palestinian state between Jordan and Israel but is ready to consider some kind of federated Palestinian-Jordanian state.

The main obstacle to a renewal of the Geneva talks has been the Arab demand that the Palestine Liberation Organization be invited to join. Israel objects to the participation of a body it regards as the umbrella organization of terrorist bands.

Erosion in Stand Seen Mr. Sadat's statement was seen by some analysts in Israel as reflecting an erosion of Arab support for the October, 1974, resolution by heads of Arab states in Riyadh, which recognized the PLO as the sole legitimate representative of the Palestinians.

Commentators noted that it dovetailed with a recent Syrian statement envisaging some sort of federation between Syria, Jordan and a Palestinian state.

Today, the Israeli foreign minister said Mr. Sadat's interview could be an attempt to bring King Hussein of Jordan back into negotiations on the Palestine question. King Hussein was excluded from this sphere at an Arab summit in Rabat two years ago.

Mr. Allon said the interview could also be a signal to residents of the West Bank not to increase links with the PLO, the sources said.

Mr. Allon said Mr. Sadat's interview might have been timed to encourage pressure on Israel from the incoming U.S. administration to give in to Arab demands. But he said Washington was committed to reconvening the Geneva talks with the original participants.

FLO Aide Welcomes Idea ABU DHABI, Jan. 2 (Reuters).—A member of the FLO Central Council said here that the organization would welcome a voluntary link between a Palestinian state and any other Arab country.

Mahmoud Abbas was apparently commenting Friday on Mr. Sadat's statement. Mr. Abbas said at a press conference, "We are proponents of Arab unity and would 'not' any link with other Arab 'junks'."

"But this must be voluntary and not imposed on us," he added.

Mr. Abbas is on a tour of Gulf states as a special FLO envoy.

Reaction in Amman CAIRO, Jan. 2 (UPI).—A Jordanian official today welcomed President Sadat's call for a "link" between Jordan and the proposed Palestinian state. In a dispatch from Amman, the

(Continued on Page 2, Col. 1)

## Blaze Subdues Fête in Chad

NICE, Jan. 2 (AP).—A fire aboard his official aircraft at Nice airport cost President Félix Malloum of Chad a French-style New Year's Eve feast of champagne and oysters.

A minor fire broke out in the cockpit of the presidential jetliner Friday as it was preparing to leave for N'Djamena, carrying 30 cases of champagne and boxes of fresh oysters, airport sources said.

The fire was quickly extinguished but repairs will hold the aircraft here for several days.

The sources said that, given the perishable nature of oysters, the crew quickly put them on their own New Year's Eve menu.

## U.K. to Warn Violators of Fishing Zone

From Wire Dispatches

LONDON, Jan. 2.—British naval vessels have been ordered for the time being not to fire warning shots across the bows of unauthorized fishing vessels operating within Britain's new 200-mile limit, government officials said yesterday.

Three British Navy frigates, the Hardy, the Plymouth and the Berwick, have been assigned to enforce the limit.

But officials said it was felt that a day or two should elapse to insure that messages sent to governments without rights in the new limits had been forwarded to the unauthorized fishing vessels.

They said the activities of the protection vessels, backed up by four air force Nimrod reconnaissance planes, would be reviewed soon.

'Tact, Diplomacy' Unauthorized vessels fishing inside the limit during the next few days will be warned that they have no right to be there, the officials said. The British force has instructions to use "tact, diplomacy and discretion."

The eight other European Economic Community nations at midnight Friday also extended their fishing limits to 200 miles under a Common Fisheries policy.

Fishing vessels from Iceland, Bulgaria, Romania, Japan and Cuba were barred from the new 270,000-square-mile British zone, which is nine times larger than the previous zone.

Britain controls 80 per cent of the waters involved in the joint Common Market policy. The Ministry of Fisheries has developed an operations center to keep track of trawlers in the new zone.

Britain gave three East-bloc countries—the Soviet Union, East Germany and Poland—rights to catch limited amounts of fish within the zone for three months. Similar permission was given to five Western countries not in the EEC—Norway, Finland, Sweden, Portugal, Spain—and the Faeroe Islands, which are part of Denmark.

The limited concessions were made while Common Market negotiators try to conclude longer agreements with the nations.

## Canadian Limit

OTTAWA, Jan. 2 (NYT).—Foreign fishing vessels except those of the United States and France now need licenses to operate within 200 miles of the Canadian coast.

The extension of offshore control from the 12-mile limit took effect at midnight Friday night. The government-owned Canadian Broadcasting Corp. reported yesterday that more than 100 permits had been issued, including 20 to Soviet trawlers, but that licenses had been denied to 14 West German vessels whose operators had failed to furnish information required by the Canadian authorities.



Associated Press.

to Try Anew Later

## n's New Proposals Said Turned Down by Smith

Y, Rhodesia, Jan. 2

Richard of Britain, the Geneva conference of Rhodesia, hours yesterday with Ian Smith, a statement suggested they made little headway toward a formula for power to the black

a longish, frank exchange of views," Mr. Smith said. "I'm sure that we understood my position and I, for my part, his."

ish diplomat, on the of a six-nation tour of Africa, presented the with new proposals the deadline in the ks, which adjourned ago after nearly two largely unproductive

nister Smith was un- newsmen after yes- ks, but his attitude

Richard's proposals indicated in his New press over radio and in the address Friday said any departure

etement plan drawn by of Sir Ian Smith would release his gov- its commitment to over to the blacks

ith Tensions re of Mr. Richard's re- as he moved through a crowd of at his hotel, was taken

tion that he had to move the Rhodes- from his position, remained substantial- ized since the Geneva ed on Oct. 28.

s the day, the Briton he hotel with Bishop

esia Raises of Oil 6%; C Voted 10%

ORE, Jan. 3 (NYT).—has increased the price common crude oil by per cent, substantially 10 per cent that In- and 10 other members

ization of Petroleum States voted two weeks

s quickly cautioned the- sian move does not break with OPEC but a continuing effort

to bring the ice of various grades of oil to economic balance. Experts suggested that sian move may have

ed Saudi Arabian off- ports about a third of its output and official- ed an additional 5-per- cent effective yesterday.

ed an additional 5-per- cent effective yesterday.

## Spanish Communists to Run in Elections

From Wire Dispatches MADRID, Jan. 2.—The Spanish Communist party, buoyed by the liberation of its leader, Santiago Carrillo, acted quickly during the weekend to plan its campaign for the parliamentary elections this year.

The party's executive committee, including six members also freed Thursday after eight days of detention, met without Mr. Carrillo to discuss plans for taking part in the elections for the first democratically elected parliament since the 1936-39 Civil War.

Members of the executive committee said after the meeting that they planned to run candidates in all of Spain's 50 provinces. They also said that Mr. Carrillo, 61, Dolores Ibarruri, the "La Pasionaria" of the Civil War who lived in Moscow since 1939, would be among the candidates.

The elections are to be held within the next six months. Government sources have said the Communist party would not be galvanized until after the elections.

But the executive committee members insisted that with candidates would run for the elections as members of the Communist party.

They halted the release on bail of Mr. Carrillo and the other senior members as an important step toward the legalization of

the party—banned since 1939—and of the restoration of full democratic rights in Spain.

Committee member Manuel Azcarate said that the party planned to campaign openly.

The presence of Mr. Carrillo, who lived clandestinely in Spain for 10 months until his arrest Dec. 22, would become as normal as that of any other Spanish political leader, Mr. Azcarate said.

Mr. Carrillo relaxed this weekend at the Madrid home of his wife, who came here openly with their three sons in October while he was still living underground.

The liberal newspaper *Diario 16* said that Mr. Carrillo, who is despised by the extreme right, was being protected by several bodyguards, including a karate expert and three former boxers.

In the Basque provinces, police firing smoke flares today broke up another demonstration in support of the freeing of Spain's remaining political prisoners.

The incident, one of a series of year-end pro-unity street demonstrations in the restive region, occurred in the town of Guetcho, during a soccer game. There were no reports of injuries or arrests.

The protesters, shouting for amnesty and autonomy, then marched toward the nearby Bilbao suburb of Algorta and tried to stop traffic by putting up barricades. Once again, riot police scattered them.

During the weekend, an unknown number of persons were

injured when 1,500 demonstrators clashed with police in the town of Eibar. Street protests involving thousands of persons and sit-ins in churches by priests and relatives of prisoners were reported in several other towns Friday and yesterday.

In San Sebastian, suspected rightists yesterday bombed the Basque-language magazine *Berrik*, causing substantial damage but no injuries.

NEW YEAR'S GREETING IN JAPAN—Emperor Hirohito, Empress Nagako and members of the Imperial family receive the Egyptian ambassador to Japan, Mohsen Abdel-Khalek, during reception at the Imperial Palace.



Associated Press.



## CIA Reportedly Uses Iran as Dump For Dated, Unworkable Equipment

WASHINGTON, Jan. 2 (Reuters).—Three Americans assassinated in Tehran in August were working on a top-secret surveillance system on the Soviet-Iranian border and the Shah of Iran later blamed the Soviet Union for the murders. The Washington Post said today.

A front-page article by Water-gate reporter Bob Woodward said the three were employed by Rockwell International Corp., which the article said is building a \$500-million surveillance system along the border between Iran and the Soviet Union.

The system, code-named Ibox, is designed to gather intelligence

about the Soviet Union through electronic and photographic surveillance. The Post said.

The report quoted the Shah as telling an unidentified American visitor three days after the assassinations: "The Russians were behind this incident."

Mr. Woodward's article also suggested that, although the Ibox system is top-secret, Iran has become a dumping ground for outmoded or unworkable U.S. intelligence equipment.

**A Possible 'Dud'?**

The newspaper said that documents it had obtained recently, which it did not identify further, raised the question: "Could it [Ibox] be a \$500-million dud?"

"Documents from the Ibox file raise the possibility. It is alleged, for example, that Iran has been used as a technological dumping ground for equipment and concepts that the National Security Agency and other U.S. intelligence agencies have found impractical and overly sophisticated," the article said.

It said the Ibox system would include long-range cameras used from the air "but they cannot work at night or in clouds. Thus, a Pentagon official familiar with the system calls it 'garbage.'"

The Post also said that at the heart of the Ibox system is "an extremely expensive and automated computer which the United States has previously found unworkable."

The Post added: "These difficulties and problems of corruption, waste and obsolescence in other U.S. projects in Iran have become a matter of serious concern and irritation to the Shah."

It said that the Shah, who has bought more than \$10 billion worth of arms from the United States in the last five years, had been protesting to top U.S. officials for months about the situation and had become almost completely disenchanted with the Pentagon, including Defense Secretary Donald Rumsfeld.

**CIA's Influence**

The Post said the CIA, "which for many years has operated two secret monitoring posts along the 1,250-mile border between Iran and the Soviet Union," had influenced the Shah to start the Ibox project two years ago.

The contract was awarded to Rockwell in the face of intense competition from three other U.S. electronics manufacturers, the article said.

The Post said that the documents it recently obtained include secret agreements for previously undisclosed agents' fees, secret messages to the Shah from the Shah, official complaints and allegations. The documents, the Post said, include dozens of memos reporting on the private conversations of the Shah, his top generals and U.S. Ambassador Richard Helms, who has just retired.

Ambassador Helms discussed the situation last July in a handwritten note to his successor as director of the CIA, George Bush. The Post said. A memo of a conversation between Mr. Helms and an American visitor in Tehran described Mr. Helms' attitude this way:

"Ambassador Helms interrupted to say he had completely washed his hands of Ibox. He had called a very senior CIA man from Washington to come check on it. He had him sit down and take notes of all charges and allegations he had heard. He then told this man he was totally washing his hands of the responsibility. It would all rest on CIA—if it failed, it was going to blow up on them. They could do what they wished."

**Pope Continues Church's Drive Against Abortion**

ROME, Jan. 2 (Reuters).—Pope Paul VI yesterday continued his campaign against the Roman Catholic Church's attack on legalized abortion, an issue now being considered by the Italian Parliament.

"Can we remain silent about the legalization of abortion, its admission and protection in several countries? The Pope said during a mass held to mark the church's 10th annual World Peace Day.

"Is the life that at its very conception springs up in the mother's womb really and truly a human life?" he asked rhetorically in continuing the church's recent acceleration of attacks on abortion. He was addressing a congregation of church leaders, diplomats and the Communist-supported mayor of Rome, Carlo Giulio Argan.

The leftist parties in Parliament have a pro-abortion majority which could allow them to push through their legislation bill against opposition from the church-backed Christian Democrats.

The Pope continued his attack on abortion during an address later to a crowd gathered in St. Peter's Square for his midday blessing. He told them that recognition of the sacredness of life, especially of life being created, was an implementation of peace on his widest and most practical level.

**Ex-Premier of Nepal Arrested on Return**

KATMANDU, Nepal, Jan. 2 (UPI).—Nepal's former Premier B.P. Koirala, who ended his eight-year exile in India to accept King Birendra's amnesty offer, was arrested upon his arrival Thursday for necessary action, the official Nepalese news agency said Friday.

The 62-year-old chief of the banned Nepal Congress party, who has been waging an armed struggle against direct royal rule in this Himalayan kingdom while in self-exile in India, returned home with his colleague, Ganesh Man Singh, 61.

Mr. Koirala returned from exile barely a month after 32-year-old King Birendra granted an amnesty Dec. 5 to 12 exiled political and government leaders.



Remains of the car that exploded in Belfast, killing a baby and injuring his parents.

## Britain to Reopen Tomorrow After Record Yuletide Break

By Bernard Weinraub

LONDON, Jan. 2 (UPI).—The Great British Christmas Break seems to have gotten out of hand. At least 4 out of 10 workers are staying home nearly two weeks, factories are closed, businesses are complaining, government offices are half-empty, the roads and trains are quiet during the rush hour and the country seems to have closed up shop.

With Christmas falling during the weekend, millions of workers were given two days off last week. Monday and Tuesday, to properly celebrate Christmas Day and Boxing Day, the bank holiday that traditionally follows Christmas. New Year's Day has also become an official holiday in recent years, and many businesses named Tuesday as the day to return to work. But unofficially, workers began taking off as early as Dec. 22, and many will not return until Wednesday.

"Well now, who is working and who is not?" asked the Daily Express. "Nobody seems to know exactly. Foreigners trying to do business with this country are understandably baffled. Britain has got to function Christmas or no Christmas. As a nation we really cannot afford to stay in bed and prosper."

**'Holiday Fiasco'**

With the government in perennial economic crisis, the "holiday fiasco," as the newspapers call it, has stirred some embarrassment here, especially with Britons aware that the holiday break is the longest in Europe. Workers in Belgium and Luxembourg have only Monday off to make up for the "lost holiday." The West Germans, French, Dutch and Danes will not miss a working day. And even the Italians, businessmen grumble, are working more than the British.

Most of the car industry, together with engineering, coal, textile and shipyard workers, are on the long holiday. Civil servants are supposed to be working but reaching them is difficult.

A public relations woman called on Dec. 23 on an urgent matter. His wife said he was out shopping.

"Can I call him tonight?" the woman asked.

"My dear, he does like to switch off," the wife said.

"Well, when will he be back at work?" asked the woman.

"Jan. 5," replied the wife.

The shutdown of factories, coupled with unofficial absenteeism and slender work days, affects life in numerous ways. A man recently brought his raincoat to a cleaner and asked when he could pick it up. "Not until two weeks, I'm afraid," said the cleaner behind the counter. "The factories, you know."

**Adverse Comment**

The London Chamber of Commerce and Industry warned that the extended holiday was drawing adverse comment from abroad and that foreign observers were perplexed at the apparent half-heartedness of British attempts to resolve economic problems. "The current holiday resembles the old-fashioned Wakes Week, when two separate bank holidays were celebrated. Wakes Week was a traditional August holiday for factory workers in the Midlands."

Several members of Parliament and the Confederation of British Industries, an umbrella group representing employers, have already demanded government action to prevent a repetition next year when Christmas and New Year's Day again fall on weekends.

The holiday recess coincided with a lengthy report called "The British at Work," in the current issue of the Economist. The section has a subtitle called, "The British at Work: The magazine attributes low productivity, or the 'English disease,' to a 'lack of energy, security, investment, and capital equipment.'"

**French Jet Drops Rocket**

BAGNOLES-SUR-CEZE, France, Jan. 2 (UPI).—An anti-aircraft missile fell from a Mystere F-1 jet fighter at high altitude Friday and landed harmlessly in a country orchard, police reported.

## 5-Month-Old Boy First to Be Slain In Ulster in 1977

HELFEST, Jan. 2 (UPI).—A 5-month-old boy yesterday became the first victim of violence in Northern Ireland in the new year.

Police said the infant died and his parents were seriously injured when their automobile was ripped by jagged hunks of another car blown apart by a bomb in Glengormery, a residential suburb three miles north of here.

The baby's death brought to 1,688 the number of persons who have died in Ulster violence since August, 1969. Earlier yesterday authorities said that terrorist incidents last year killed 296 persons and injured almost 3,000. The death toll was 50 more than in 1976 and the highest since 1972, when 467 persons died.

The infant was killed on the back seat of an automobile being driven away from his home in Glengormery. Alerted by a phone call, police had found 20 pounds of explosives in a stolen car parked in front of the house next door, and they were evacuating the neighborhood.

**Peace Drive at Home**

HELFEST, Jan. 2 (AP).—Mrs. Betty Williams and Mairead Corrigan, the leaders of this British province's peace movement, say that they will spend at least five weeks waging their "war against war" in communities throughout Ulster before making visits to Australia, New Zealand, Canada and the United States.

**Bankruptcies Up in 1976**

LONDON, Jan. 2 (UPI).—Government figures showed today that more British companies went bankrupt last year than ever before.

Bankruptcies rose 25 per cent over the previous record year of 1975, the figures showed. There were 2,033 bankruptcy orders issued by the High Court, compared with 1,646 the year before, and about the same number of bankruptcy or liquidation actions taken in other courts or voluntarily.

**Britain's New Proposals Said To Be Turned Down by Smith**

(Continued from Page 1)

Smith and Mozambique. In Lusaka, he met with President Kenneth Kaunda of Zambia and with Joshua Nkomo, another black Rhodesian leader.

On arrival here, Mr. Richard said Smith had been encouraged by the Prime Minister's statement Friday night that he would give careful consideration to the new proposals, a statement that Mr. Smith tempered by terming some of the proposals "unrealistic."

No Ultimatum

Mr. Richard denied that his proposals were in the form of a hard-and-fast package, as Rhodesian officials have suggested earlier last week. "There's no question at all of my presenting the Rhodesian people with an ultimatum on a take-it-or-leave-it basis," he said.

The proposals, made public after Mr. Richard met with Mr. Kissinger in Washington last week, amount to a revision of key points in the Kissinger plan. The plan, which Mr. Kissinger

put before Mr. Smith in September, provided for a transition to majority rule within two years, balanced by guarantees of a strong white Rhodesian role in the interim period.

Under Mr. Richard's revision, a British would head the transition government, a provision acceptable to the black leaders. At Geneva, they rejected a proposal in the Kissinger plan for a two-tier government, with the supreme body, a council of state, to be headed by a Rhodesian white.

**Peru Confirms Soviet Jet Deal**

LIMA, Jan. 2 (Reuters).—The military government has confirmed that it will buy air force equipment from the Soviet Union, President Francisco Morales Bermudez announced.

He gave no details of the agreement, which is believed to be the first Soviet arms deal with any Latin American country except Cuba. Informal sources said Peru was buying 36 Sukhoi-22 jets, swept-wing versions of the Sukhoi-7 tactical fighter-bomber, for \$250 million.

Gen. Morales said at a press conference: "The Soviet Union offered air material under terms incomparable with others which the Western world could offer, and because of this we accepted."

"But this does not mean in any way that we will be influenced politically by the Soviet Union."

The Congress party has found less need for parliamentary allies in the new political order. Two weeks ago, Mrs. Gandhi began attacking the Communists openly, even accusing them of siding with the British during the battle for independence 30 years ago.

**French Court Allows EEC Parliament Vote**

PARIS, Jan. 2 (UPI).—France's Constitutional Court has ruled that election of the European Parliament by universal suffrage does not violate the French Constitution.

The ruling threatened to start a major political controversy because of bitter opposition of the Communists and right-wing Gaullists to a direct election of members to the European Economic Community's Parliament.

**Germans Quit Russia**

MOSCOW, Jan. 2 (Reuters).—The Soviet Union allowed a record 2,826 ethnic Germans to emigrate to West Germany last year. The previous high was 6,945 in 1974, the West German Embassy said.

## Violations Are Cited

## State Dept. Issues Report On Civil Rights in 6 Nat

By Bernard Gwertzman

WASHINGTON, Jan. 2 (NYT).—The State Department, making its first detailed report on human rights conditions abroad, has found that Argentina, Haiti, Indonesia, Iran, Peru and the Philippines have violated human rights to varying degrees but should nevertheless still receive U.S. military support.

The reports, made public last night by the House International Relations Committee, were submitted by the department at the committee's request. The committee asked for reports on only those six countries as an initial test of compliance of a new congressional law mandating such human rights reports from the State Department when asked for by any member of Congress.

Last year, Secretary of State Henry Kissinger refused to comply with an earlier congressional law requiring a country-by-country report on human rights to be used as a means of judging whether foreign aid should be granted. He argued that such public documents only cause problems with other countries, were unfair to U.S. allies and did little for human rights.

In the new foreign aid bill, the requirement for the human rights reports was stiffened. But at first, the department submitted the requested six reports in a classified form, which barred public disclosure in an apparent effort to reduce embarrassment to the other governments. But the reports were declassified last week when the committee protested.

The reports discuss alleged violations of human rights, such as torture, prolonged detention without charges or trial, arbitrary arrest, and other denials of the right to life, liberty or the security of the person in dry and matter-of-fact language.

But Rep. Donald Fraser, D-Minn., who was a driving force to secure the reports, said yesterday that the reports "are a lot better than I thought they'd be," although he thought the language was often too soft.

President-elect Jimmy Carter, during his campaign, criticized the Ford administration for not paying enough attention to human rights abroad and pledged that his administration would do more.

But Cyrus Vance, his secretary of state-designate, has warned that in dealing with human rights violations a pragmatic approach must be followed that takes into account U.S. security interests as well.

There are few startling surprises in the reports. Most countries involved have been accused by many organizations in recent years of various violations of human rights and many articles have appeared in the press about them.

In fact, in an apparent effort to reduce direct U.S. government involvement in the reports, the State Department often quoted as a source, Amnesty International, the organization that publicizes allegations of human rights violations.

**Air Siam, in Debt, Suspends Service**

BANGKOK, Jan. 2 (AP).—A temporary shutdown by debt-ridden Air Siam has stranded holiday travelers in the Far East. Angry ticket holders crowded into the airline's offices in Bangkok, Tokyo and Hong Kong demanding refunds.

Air Siam officials told ticket holders that refunds could not be provided immediately and that other air carriers would refuse to accept Air Siam tickets. "Please retain your tickets until services are resumed," read a notice posted by the privately owned Thai airline.

Air Siam's manager, Vithichai Thakorn, said the airline was forced to suspend operations last Wednesday because it has built up a debt of \$17.5 million an was estimated to be losing \$2.5 million a month. The shutdown entitled holiday travel plans for at least 3,500 Japanese tourists, according to Air Siam's Tokyo office. "Most of the passengers were on package tours," said an airline official in Tokyo.

**2 on Bikes Rob German Casino**

BERGAMO, West Germany, Jan. 2 (Reuters).—Police today hunted two masked robbers who escaped on bicycles with 280,000 deutsche marks (about \$115,000) after a New Year's Eve raid on a casino.

The police said the men entered the casino at Bad Zwischenahn, about 50 kilometers northwest of here, shortly before midnight and held several hundred gamblers at gunpoint while they stole the cash.

They got away on bicycles using paths in the woods.

**Czechoslovaks Halt Hunt for 45 Miners**

PRAGUE, Jan. 2 (Reuters).—Rescue workers have given up the search for 45 miners trapped in a coal mine for the last three days.

An official said rescue work at the mine in Bohemia, in northern Czechoslovakia, had been stopped. He refused to give any further information. There has been a news blackout on the mine disaster since a statement Friday reported that the men were trapped underground following a gas explosion in the mine.

## Ford Urges Puerto Rican Statehood

(Continued from Page 1)

must be passed by Congress. After Rico must draft a state constitution, plebiscite must be determined if, in fact, the island wants.

The island's outgo, Rafael Hernandez, a statement saying it not correspond to Puerto Rican people.

**'Right to Equality'**

Gov. Carlos Romo issued a two-paragraph late Friday, saying "must be grateful" for "defending our equality of citizenship." Inaugural address to no hint whether he work actively for it. did not mention Mr. monism.

Instead, the 44-year-old mayor of San Juan economic issues and all-out war on poverty. "We must improve our most profound problems," Mr. Romero said. "Poverty demoralizes who suffer from it the society which we cannot accept ignorance."

Puerto Rico said almost chronic 20-employment rate and tend with higher imported goods, including

## Bolivian General Warns of War in 1

LA PAZ, Jan. 2 (AP).—Bolivian military commander urged his forces to cause "danger of war" in this region.

Gen. Raul Alvarez, commander-in-chief, speech in Santa Cruz, stronger unity is needed the army and the movement "so long as horizon gets complicated danger of war looms."

"If one wants peace be prepared for war," he said.

The general did not say the first time a Bolivian might be involved in a conflict.

There has been tension between Bolivia and its neighbors, Chile and Peru. Bolivian President B. called on Chile to modify demands that it, about a breakdown of negotiations on Bolivia's desire for access to the Pacific Ocean.

Chile had proposed from Bolivia to the Peruvian border. It would agree only if area were placed under rule and this was up to Chile.

## Numeiri Speaks Warns Ethnic

KHARTOUM, Sudan (AP).—President Gaafar said yesterday that close Sudan's border with Ethiopia if that country to harbor activists a regime.

In speech, Mr. Numeiri accused Ethiopia of establishing training camps against him. He warned Sudan "would not tolerate any attacks inside the border."

Mr. Numeiri said he the support of a quarter-million Eritrean refugees. He said the Eritreans create trouble and threaten the Ethiopian regime.

## Oil Slick May Flow Into Gulf Stream

BOSTON, Jan. 2 (UPI).—A slick of oil could be flowing into the Gulf Stream today, the U.S. Coast Guard said.

The slick, 215 miles long, 100 miles across at its widest, was being driven by the Gulf Stream current. It was reported by satellite photos that the slick was moving northward.

Once into the Gulf Stream, it would be carried in the current direction, current splits into two branches in the Atlantic, and where the might end up remains uncertain.

## Allon Sees Sadat Statement As a Possible Positive Step

(Continued from Page 1)

Middle East News Agency quoted Information Minister Adnan Abu C. as saying Mr. Sadat's suggestion reflected his "realism and objectivity."

**Arafat Sees Lessons**

HEBRON, Jan. 2 (UPI).—Palestinian guerrilla chief Yasser Arafat, marking the 15th anniversary of his Fatah organization.

The Palestinians were seriously weakened politically and militarily by the Lebanese civil war and are currently under pressure to put their heavy weapons under the supervision of the Syrian-dominated Arab peace-keeping force in all areas of the country except the southeastern Arabah area known as Fatahland.

The subdued tone of Mr. Arafat's message Friday reflected a "rejuvenation of the once belligerently independent guerrilla movement." On the night of Dec. 31, 1964, al-Fatah began its military operations. The organization concentrated its first attacks on sabotage of Israeli hydroelectric installations on the Jordan River.

**Record Reported For Soviet Grain**

MOSCOW, Jan. 2 (Reuters).—The Soviet Union said yesterday it achieved a record grain harvest last year, but gave no figures.

The Kremlin said: "Collective and state farmers brought in the highest grain harvest in the history of our country." The previous record was 222.5 million tons in 1973.

Western observers have been puzzled over the failure to issue a final figure. In the past, poor totals have been issued only after long delays, but good harvest figures have been announced promptly.

**Madrid Papers' Price Up**

MADRID, Jan. 2 (AP).—Prices of Madrid daily newspapers increased from 10 to 15 pesetas (14 to 22 cents) today, a 50-per-cent rise resulting from higher salaries and printing costs.

### Attention Doctors (MD's) and Medical Students

Prepare for

**• ECFMG • FLEX**

U.S. National Medical Boards

---

**STANLEY H. KAPLAN**

EDUCATIONAL SERVICES LTD

is now located in  
Lugano, Switzerland.

Address: Via Del Tiglio 14,  
6900 Lugano, Switzerland  
Phone: 091-51-2721.

Our 38th Year

Voluminous Basic Sciences home study notes for all areas covered on the examination for NAB Part I.  
Sample questions accompanied by Comprehensive Teaching Tapes to be used at any of our Test Centers.  
Materials constantly updated.  
Our broad range of programs, coupled with over 30 years of experience and success, provides an unrivaled of testing knowledge that enables us to offer the best preparation available, further improving the individual scores you've selected.

Outside N.Y. State ONLY  
CALL TOLL FREE 800-221-9840



## House Leader Reveals Plan To Double Public Jobs Funds

By Helen Dewar

WASHINGTON, Jan. 2 (WP).—House Democratic leaders have announced that they will seek a \$2-billion increase in public jobs as part of President Jimmy Carter's package of programs to stimulate the U.S. economy.

Rep. Jim Wright, D-Texas, the new majority leader, said that Carter had endorsed the measure in principle but agreed on an exact price tag had not yet been reached. He said that such an accord will not be reached until congressional leaders meet with Mr. Carter late next week at his home in Plains, Ga., to confer on details of the overall package of economic stimulants.

An additional outlay of \$2 billion will double the funds available for public works jobs under emergency legislation passed by Congress last September and will bring the total number of jobs to be created under the program to about 600,000, Rep. Wright said.

Carter advisers have indicated that the economic-stimulation package will have a total value of about \$15 billion, including individual and corporate tax relief as well as spending programs to expand jobs under the public works program and the Comprehensive Employment and Training Act, to stimulate the housing industry and to provide direct aid to cities.

### Various Jobs

A new \$2-billion appropriation will produce about 300,000 jobs, half of them in on-site construction work and half in related material and supply industries, bringing the total number of new jobs to roughly 600,000 from the two public works jobs measures, according to Rep. Wright.

He said that the new jobs bill will be introduced when the new Congress convenes Tuesday and hearings will begin even before committee action is taken.

He told reporters that he hopes Congress will complete action on the bill within a few months, perhaps by April or May, so that the economy will feel the impact of the creation of new jobs as quickly as possible.

Rep. Wright said that, besides consulting Mr. Carter, he has discussed the bill with the new House speaker, Rep. Thomas O'Neill, D-Mass., and with a majority of the members of the House Democratic Steering and Policy Committee.

"All, without exception, have pledged their best efforts to secure early enactment of this legislation," he said, and "additionally, it has the support of the Republican leadership on the authorizing (Public Works) committee."

In Plains, Mr. Carter said that he had discussed the jobs bill with Rep. Wright by telephone Wednesday night. "The sum total of it [the conversation] was that a jobs program under the public works authorization would be advisable but the exact figure should await" until his meeting with congressional leaders, Mr. Carter said.

Textile Negotiations  
In the early 1960s, Mr. Christopher was selected by George Ball, then under secretary of state, to take charge of cotton textile negotiations and later wool textile negotiations. During that period, he had his first introduction to the State Department.

The most controversial aspect of Mr. Christopher's time in the Johnson administration was his involvement in the Army's program to put thousands of U.S. civilians under surveillance to prevent other riots in cities. He reportedly was involved in drawing up the plan that became known only in the 1970s.

Mr. Christopher was one of the first choices to become the Watergate special prosecutor in 1973 but turned down the job.

Mr. Vance, who is trying to complete his top command, also was attracted to Mr. Christopher because he was from California—Stanford law graduate—and not from the East. Gov. Brown was informed of the appointment by Mr. Vance Thursday. It needs Senate approval.

Mr. Christopher was one of the first choices to become the Watergate special prosecutor in 1973 but turned down the job.

Mr. Vance, who is trying to complete his top command, also was attracted to Mr. Christopher because he was from California—Stanford law graduate—and not from the East. Gov. Brown was informed of the appointment by Mr. Vance Thursday. It needs Senate approval.

## Spy Package Said to Contain List of CIA Agents, Locations

By Robert Meyers and Lee A. Daniels

WASHINGTON, Jan. 2 (WP).—The package that a former CIA employee allegedly tried to sell to the Soviet Union contained the names and locations of several hundred CIA employees doing covert work, an FBI agent has testified.

The secret CIA directory containing the names was dated January, 1975, according to testimony at a hearing Thursday for Edwin Moore 2d, a Bethesda, Md., man charged with espionage in connection with the incident.

The directory was among 8 or 10 secret documents contained in the package, according to testimony. Hundreds of others were later seized from Mr. Moore's home, according to an FBI inventory made public last week.

A U.S. magistrate Thursday refused to reduce the bond for Mr. Moore, who was described yesterday as a "disgruntled" former CIA man.

"Danger" Established  
U.S. Magistrate Archie Meany Jr. denied a motion to lower the bond from \$150,000 after hearing a federal prosecutor say he was not sure whether Mr. Moore possessed additional secret documents not yet seized by the FBI.

"To me, any information offered to the enemy is not to be tolerated," Magistrate Meany told Mr. Moore's attorney, Courtland Townsend Jr.

"The danger to the community has already been established by the notes" allegedly from Mr. Moore offering CIA documents to the Soviet officials in exchange for cash, Magistrate Meany said.

Mr. Moore, 55, has been in jail since he was arrested Dec. 23 and reportedly suffered a mild heart seizure last Tuesday night.

During the Thursday hearing, in Bethesda, new details were revealed in the case.

While the FBI agent described a CIA telephone directory containing the names of covert employees, a former high CIA official said in an interview that such a directory has never existed.

Covert agents are not listed in any phone book, he said. "That wouldn't make any sense."

Also included in the package, according to FBI testimony, was a 1965 National Security Council intelligence directive, a secret administrative document called "Headquarters Regulations Dealing With CIA Functional Missions."

Mr. Moore allegedly demanded that Soviet officials responding to his \$200,000 offer place a green-covered package containing money across the street from his home.

The FBI, whose agents were by then staking out Mr. Moore's home, made the drop at about 2 p.m. Dec. 22. By that time Mr. Moore had begun raking leaves on the sloping lawn in front of his \$120,000 home. He eventually picked up the package and was arrested, according to the testimony.

Mr. Moore had allegedly started what is said to be the first domestic espionage case of its kind ever publicly revealed by heaving a package over the fence at a Soviet building in Washington on Dec. 21. That package contained two notes, a map of the street he lives on, a murky photograph of his home, and instructions for the alleged espionage offer, according to testimony.



HELPING HAND—Secret Service agent Larry Buendorf settles President Ford into chairlift at Vail, Colo., ski resort after the President tried to retrieve a dropped pole before boarding the lift during outing.

## Seeking New Responsibility

## U.S. Marxist Scholars Found A Journal for Their Writings

By William Chapman

WASHINGTON, Jan. 2 (WP).—For U.S. scholars who call themselves Marxists, the most frustrating fact of life has been the absence of a sympathetic place to publish their writings.

"It's a little like being an abstract impressionist artist in the 1930s," observes Jacques Marchand, a former history professor who is beginning a career as an editor. "You had to submit your work to people who were hostile to modern art."

With a small (\$5,000) foundation grant, a lot of hope and many doubts, the top Marxist scholars sat down here recently to fill the gap with a new journal, "Marxist Perspectives."

Its appearance sometime this year will mark a new stage in the Marxist-scholarship revival that began in the mid-1960s and now is attracting a number of new disciples among the young on campus.

What passed as a Marxist tradition was virtually wiped out in the 1950s when its scholars were linked with the Communist political movement and expelled from many universities. Since then, it has been considered futile if not dangerous to call one's writings in history and literature Marxist.

"A Kind of Sneering"  
"It's been hard for a young intellectual to identify himself as a Marxist," Mr. Marchand said. "There was for a long, long time a kind of sneering at Marxism as if it were a bad kind of scholarship. Hopefully, that time is past."

Among the founders of the journal, who met for the first time during the American Historical Association's annual convention, are the top names of the new "Marxist school"—Eugene Genovese of the University of Rochester, John Womack of Harvard and Eric Foner of the City University of New York.

Most of the journal's editors are middle-aged professors whose major works—Mr. Genovese's and Mr. Foner's on slavery, Mr. Womack's on Mexican history—are not branded specifically as Marxist.

They are anxious to avoid the identification with Communism which buried their predecessors in obscurity, and their definition of the new journal's message is anything but doctrinaire.

"We are not talking about a sectarian or a narrowly defined line," said Mr. Marchand, who will be managing editor. "There's probably as much that separates us as that which holds us together. We're not even really a political journal at all. For instance, we'll have an article on Florence in the 16th century. There will be pieces on literature."

To Alan Trachtenberg, too, Marxism is an analytical tool, a way of examining literature and history, and not a political doctrine. Mr. Trachtenberg teaches American studies at Yale and is, like Mr. Womack, one of the new journal's general editors.

He said: "We have no orthodox Marxist approach... The old Marxist commitment to changing society may not always be foremost."

Asked how Marxism helps him analyze literature, the Yale Faculty member cited Melville's "Moby Dick" and said: "The Common approach is to look at it, theoretically, as a contest between good and evil or man and nature. A Marxist would find a way of viewing those conflicts in another context—for example, looking at the ship as a social structure. The ship is a kind of a floating factory, out there killing whales for practical profit."

"There's one scene in which Ahab hammers a Spanish doubloon to the mast as a reward to the first man who spots the whale. Then there's a passage in which the crew members come by and each has a different view of that doubloon. A lot of critics would say that scene just shows how everyone sees the same thing in a different light. But if you view the scene in the light of what Marx said about a money economy, it can yield new insight into the entire book."

The Chicago Tribune Drops a Boast  
CHICAGO, Jan. 2 (Reuters).—The Chicago Tribune yesterday stopped calling itself the world's greatest newspaper.

The description had appeared under the masthead on Page One. The Tribune had no comment on the New Year's resolution.

Soviet City Gets Subway  
MOSCOW, Jan. 2 (Reuters).—Work was completed this week on a 13-station subway system in the old-producing city of Baku, in Soviet Azerbaijan, the Tass news agency reported.

## Pentagon Sees Public Shift on Arms Spending

By George C. Wilson

WASHINGTON, Jan. 2 (WP).—President-elect Jimmy Carter will inherit a broadened constituency for higher defense spending regardless of how the latest intelligence estimates on the Soviet threat are interpreted, according to Pentagon leaders.

It promises to make this year's budgetary action similar to that of last year, when Congress granted the Pentagon virtually all the money it wanted for a 2.1-million-member military force armed with a new generation of weapons.

Defense Secretary Donald Rumsfeld said in an interview that the constituency has been broadened as the information the Pentagon has disclosed on the Soviet military buildup got through to Americans and their representatives in Congress.

"It has not been so much a revelation suddenly made by the Pentagon about the buildup, Mr. Rumsfeld said, but a 'water treatment' of repeating the facts over and over until they penetrated the public consciousness."

While agreeing with this observation, the Pentagon executive in charge of dealing with Congress—William Brehm, assistant secretary of defense for legislative affairs—said the new congressional budget committees also helped to broaden the constituency for the defense budget.

Instead of the old procedure under which members picked at individual parts of the Pentagon budget sent to the House and Senate by the Armed Services and Appropriations Committees, Congress last year for the first time "had to bite the bullet" and come up with its own figure on funds for national defense, Mr. Brehm noted.

The House and Senate Budget Committees set a ceiling of \$112.1 billion in budget authority for the Pentagon for fiscal 1977, close to the \$113.3 billion requested. The fiscal year began Oct. 1.

"This was the first year they could not escape making some kind of decision" on the budget for national defense, Mr. Brehm said. "They had to make some kind of decision—stand up and be counted."

Larger Question  
The new process had the additional benefit of shifting the congressional focus from nit-picking over such issues as "what kind of guidance should be on the Sparrow Missile" to larger questions such as "how NATO forces should be modernized," he said.

Mr. Brehm credited former Defense Secretary James Schlesinger with starting the turnaround in the attitude toward defense spending by criticizing congressmen and others who favored cutting the Pentagon budget.

After Mr. Schlesinger was fired by President Ford in November, 1975—with part of the reason being Mr. Schlesinger's refusal to support a military budget \$5 billion lower than he favored—Mr. Rumsfeld took over the Pentagon post. He made the case for increased defense spending in a softer but persistent campaign.

"When I came to the Pentagon 14 months ago, Mr. Rumsfeld said, "the facts" about the Soviet military buildup "were the same as they are today." The Soviet Union was going through a broad modernization program in missiles, aircraft, tanks, submarines and surface ships.

Nothing Spectacular  
Mr. Rumsfeld said he has read the newest national intelligence estimates about the Soviet buildup and has found nothing new in them in the sense of any spectacular advances in weaponry.

The new intelligence report, the defense secretary said, "is very close to what I've been saying all year." Mr. Rumsfeld said at a Sept. 27 news conference:

"The Soviet Union today is clearly militarily stronger and busier than in any other period of its history... The Soviets continue to press ahead with aggressive development programs for both land-based ballistic missiles and submarine-launched ballistic missiles."

While recent developments were not unexpected, they nevertheless reinforce one's concern about the purposes behind their energetic activities."

Mr. Rumsfeld did not suggest that the Soviet Union was trying to achieve military superiority over the United States or would use nuclear weapons against the United States in a surprise strike.

Not Mentioned  
"I didn't think it was necessary to talk about intentions," Mr. Rumsfeld said in the interview. However, other arms specialists such as former Deputy Defense Secretary Paul Nitze have described dark intentions to the Russians.

Mr. Rumsfeld acknowledged that Russia's military modernization program is within the law, so to speak. He said: "We continue to expect that the Soviets will eventually deploy close to the 1,200 MIRVed (multiple warhead) missiles permitted under the Vladivostok understanding, assuming a SALT-2 [Strategic Arms Limitation Talks] agreement is reached."

Other Pentagon executives have gone beyond Mr. Rumsfeld's statements in sounding the alarm. Malcolm Currie, the Pentagon's research director, said last Feb. 28 that Russia's "technical advances in missiles are only done for arm reason strategically, and that's to develop a counter-silo capability. It's the only rational explanation... The Soviet Union has never accepted this theory of assured destruction" under

## News Analysis

which each side figures it would not be worth fighting a nuclear war because of the heavy damage that would be inflicted by both sides. "They feel strategic war is kind of inevitable..."

Debate Prol  
In addition to that rhetoric, there was the "hawk vs. superhawk" debate on national defense between President Ford and challenger Ronald Reagan during the Republican presidential primary campaign, and public-opinion polls indicating that the U.S. people wanted a stronger military force.

"Americans have become significantly more sympathetic toward overall military and defense spending," Potomac Associates said, discussing the results of its polling in a pamphlet entitled, "The Pursuit of National Security: Defense and the Military Balance."

The poll indicated a growing number of Americans wanted defense spending to rise, with 9 per cent of those surveyed in 1972 favoring an increase compared with 28 per cent last year. The percentage that wanted defense spending to be reduced dropped from 37 per cent in 1972 to 20 per cent last year.

Mr. Rumsfeld, on the other hand, also has cautioned against overreacting by turning to excessive funding to deal with the problem.

Five-Year Plan  
The Pentagon's new defense budget calls for \$123 billion for fiscal 1978 starting next Oct. 1, about \$10 billion more than the fiscal 1977 request but not a panic reaction in the view of defense leaders. The five-year budget plan Mr. Carter will inherit calls for a steady growth

in defense spending in response to the Soviet buildup.

Arms control groups fear defense spending will soon get out of hand.

Thomas Halsted, executive director of the Arms Control Association, said: "Apparently there is a major effort under way to recreate the atmosphere of the missile gap days of 1960," when John Kennedy, then the Democratic presidential candidate, charged the Republican administration with letting the Soviet Union get way ahead of the United States in intercontinental ballistic missiles.

Jeremy Stone, director of the Federation of American Scientists, said the "urgency defense debate is eclipsing the fact that the 'Russians are modernizing like crazy' within the limits allowed by arms agreements."

"The predictable result of the current exaggerated reports of Soviet civil defense and the alarms over Soviet missile modernization will be a wholly unnecessary increase in our defense budget—which increase will be spent aimlessly on irrelevant responses such as Trident and the G-1 bomber," Mr. Stone predicted.

He said Harold Brown, Mr. Carter's secretary of defense-designate, understands the limits of modern weapons, but he predicted that Mr. Brown will be pushed to the right by the pressures now building up.

Woman Soliciting on Dallas Street Led Boy, 8, Down the Right Path  
DALLAS, Jan. 2 (AP).—Tony and Joanne Hernandez, already unhappy because their 8-year-old son was growing up in a prostitute-ridden neighborhood, became irate when they learned the boy had given \$5 to a woman who was soliciting money from a group of men.

Mrs. Hernandez said she sent her son Jimmy to a grocery store last week and he came back with no change. The Cedar Springs area where the family lives has received a lot of attention recently as a place where many prostitutes work.

"Jimmy said he gave it to a lady who was walking the street near the grocery store," Mrs. Hernandez said. "He said he saw some men give her some money and they started teasing him for watching. So he felt he had to give her some, too."

"I blew up," she said. "The neighbors all came over and we agreed to get up a petition. We had to do something. This was going too far."

But the father did not wait for a petition and took Jimmy back to the scene.

"I wanted to find that woman," he said. "I couldn't believe she was soliciting money from a child."

Jimmy spotted her right away. "It was the Salvation Army lady," Mr. Hernandez said. "I almost died. We all gave her money and went home."

United Nations, N.Y., Jan. 2 (AP).—The Vietnamese government last week accused a group of prominent U.S. anti-war activists of making "false charges" that the Communist regime was suppressing human rights and holding up to 300,000 political prisoners.

"We hope that true friends of Vietnam in the United States should not be misled by a few who misrepresented the situation in Vietnam," said a statement issued by Vietnam's UN observer, Dinh Ba Thi on Thursday.

The communiqué was issued in response to a news conference Wednesday at which the International League for Human Rights made public a petition to Hanoi signed by more than 90 anti-war activists of the 1960s and early 1970s. They included folk singer Joan Baez, New York City Council President Paul O'Dwyer, poet Allen Ginsberg and Roman Catholic Bishop, the Most Rev. Carroll Dozier of Memphis.

Saudi Tribe Imposes Bridal-Dowry Ceiling  
JEDDAH, Saudi Arabia, Jan. 2 (AP).—The inflation-stricken Bedouin tribe of southwestern Saudi Arabia has imposed a ceiling on bridal money.

The English-language daily Arab News said that dowries for virgins are now limited to 10,000 riyals (\$2,900) and 8,000 riyals (\$2,300) for widows and divorcees.

Belgrade to Try American as Slav  
BELGRADE, Jan. 2 (UPI).—A Yugoslav-born U.S. citizen convicted on smuggling charges and being held on suspicion of fraud will be tried as a Yugoslav because he did not renounce his citizenship on becoming an American, a government spokesman said.

Pavle Sjekic, 38, of San Jose, Calif., was arrested Oct. 38 and convicted and sentenced to 20 days in jail on charges of smuggling at least five hunting rifles into Yugoslavia, the spokesman said Friday.

He also is suspected of fraud in connection with paying the Yugoslav airline in New York City \$35,000 in bad checks for a 1971 charter flight he organized from San Francisco to Dubrovnik.

Nazi Flags in Frankfurt  
FRANKFURT, Jan. 2 (UPI).—Firemen removed four Nazi flags yesterday from the top of the tower of the downtown cathedral.

## Woman Ordained By Episcopalians

INDIANAPOLIS, Jan. 2 (Reuters).—A 40-year-old mother of four yesterday became the first officially recognized woman priest in the U.S. Episcopal Church at a ceremony in the All Saints Church here.

While demonstrators wearing black arm bands protested quietly outside the building, the Right Rev. Donald Davis ordained Mrs. Jacqueline Means.

Mrs. Means was ordained under revised rules approved at the general convention of the Episcopal Church in September. The issue was hotly debated by its 2.8 million U.S. members after three bishops unofficially ordained 11 women in 1974.

While demonstrators wearing black arm bands protested quietly outside the building, the Right Rev. Donald Davis ordained Mrs. Jacqueline Means.

Mrs. Means was ordained under revised rules approved at the general convention of the Episcopal Church in September. The issue was hotly debated by its 2.8 million U.S. members after three bishops unofficially ordained 11 women in 1974.

While demonstrators wearing black arm bands protested quietly outside the building, the Right Rev. Donald Davis ordained Mrs. Jacqueline Means.

Mrs. Means was ordained under revised rules approved at the general convention of the Episcopal Church in September. The issue was hotly debated by its 2.8 million U.S. members after three bishops unofficially ordained 11 women in 1974.

While demonstrators wearing black arm bands protested quietly outside the building, the Right Rev. Donald Davis ordained Mrs. Jacqueline Means.

Mrs. Means was ordained under revised rules approved at the general convention of the Episcopal Church in September. The issue was hotly debated by its 2.8 million U.S. members after three bishops unofficially ordained 11 women in 1974.

While demonstrators wearing black arm bands protested quietly outside the building, the Right Rev. Donald Davis ordained Mrs. Jacqueline Means.

Mrs. Means was ordained under revised rules approved at the general convention of the Episcopal Church in September. The issue was hotly debated by its 2.8 million U.S. members after three bishops unofficially ordained 11 women in 1974.

While demonstrators wearing black arm bands protested quietly outside the building, the Right Rev. Donald Davis ordained Mrs. Jacqueline Means.

Mrs. Means was ordained under revised rules approved at the general convention of the Episcopal Church in September. The issue was hotly debated by its 2.8 million U.S. members after three bishops unofficially ordained 11 women in 1974.

While demonstrators wearing black arm bands protested quietly outside the building, the Right Rev. Donald Davis ordained Mrs. Jacqueline Means.

Mrs. Means was ordained under revised rules approved at the general convention of the Episcopal Church in September. The issue was hotly debated by its 2.8 million U.S. members after three bishops unofficially ordained 11 women in 1974.

While demonstrators wearing black arm bands protested quietly outside the building, the Right Rev. Donald Davis ordained Mrs. Jacqueline Means.

Mrs. Means was ordained under revised rules approved at the general convention of the Episcopal Church in September. The issue was hotly debated by its 2.8 million U.S. members after three bishops unofficially ordained 11 women in 1974.

While demonstrators wearing black arm bands protested quietly outside the building, the Right Rev. Donald Davis ordained Mrs. Jacqueline Means.

Mrs. Means was ordained under revised rules approved at the general convention of the Episcopal Church in September. The issue was hotly debated by its 2.8 million U.S. members after three bishops unofficially ordained 11 women in 1974.

While demonstrators wearing black arm bands protested quietly outside the building, the Right Rev. Donald Davis ordained Mrs. Jacqueline Means.

Mrs. Means was ordained under revised rules approved at the general convention of the Episcopal Church in September. The issue was hotly debated by its 2.8 million U.S. members after three bishops unofficially ordained 11 women in 1974.

While demonstrators wearing black arm bands protested quietly outside the building, the Right Rev. Donald Davis ordained Mrs. Jacqueline Means.

Mrs. Means was ordained under revised rules approved at the general convention of the Episcopal Church in September. The issue was hotly debated by its 2.8 million U.S. members after three bishops unofficially ordained 11 women in 1974.

While demonstrators wearing black arm bands protested quietly outside the building, the Right Rev. Donald Davis ordained Mrs. Jacqueline Means.

Mrs. Means was ordained under revised rules approved at the general convention of the Episcopal Church in September. The issue was hotly debated by its 2.8 million U.S. members after three bishops unofficially ordained 11 women in 1974.

While demonstrators wearing black arm bands protested quietly outside the building, the Right Rev. Donald Davis ordained Mrs. Jacqueline Means.

Mrs. Means was ordained under revised rules approved at the general convention of the Episcopal Church in September. The issue was hotly debated by its 2.8 million U.S. members after three bishops unofficially ordained 11 women in 1974.

While demonstrators wearing black arm bands protested quietly outside the building, the Right Rev. Donald Davis ordained Mrs. Jacqueline Means.

Mrs. Means was ordained under revised rules approved at the general convention of the Episcopal Church in September. The issue was hotly debated by its 2.8 million U.S. members after three bishops unofficially ordained 11 women in 1974.

While demonstrators wearing black arm bands protested quietly outside the building, the Right Rev. Donald Davis ordained Mrs. Jacqueline Means.

Mrs. Means was ordained under revised rules approved at the general convention of the Episcopal Church in September. The issue was hotly debated by its 2.8 million U.S. members after three bishops unofficially ordained 11 women in 1974.

While demonstrators wearing black arm bands protested quietly outside the building, the Right Rev. Donald Davis ordained Mrs. Jacqueline Means.

Mrs. Means was ordained under revised rules approved at the general convention of the Episcopal Church in September. The issue was hotly debated by its 2.8 million U.S. members after three bishops unofficially ordained 11 women in 1974.

While demonstrators wearing black arm bands protested quietly outside the building, the Right Rev. Donald Davis ordained Mrs. Jacqueline Means.

Mrs. Means was ordained under revised rules approved at the general convention of the Episcopal Church in September. The issue was hotly debated by its 2.8 million U.S. members after three bishops unofficially ordained 11 women in 1974.

While demonstrators wearing black arm bands protested quietly outside the building, the Right Rev. Donald Davis ordained Mrs. Jacqueline Means.

Mrs. Means was ordained under revised rules approved at the general convention of the Episcopal Church in September. The issue was hotly debated by its 2.8 million U.S. members after three bishops unofficially ordained 11 women in 1974.

While demonstrators wearing black arm bands protested quietly outside the building, the Right Rev. Donald Davis ordained Mrs. Jacqueline Means.

Mrs. Means was ordained under revised rules approved at the general convention of the Episcopal Church in September. The issue was hotly debated by its 2.8 million U.S. members after three bishops unofficially ordained 11 women in 1974.

While demonstrators wearing black arm bands protested quietly outside the building, the Right Rev. Donald Davis ordained Mrs. Jacqueline Means.

Mrs. Means was ordained under revised rules approved at the general convention of the Episcopal Church in September. The issue was hotly debated by its 2.8 million U.S. members after three bishops unofficially ordained 11 women in 1974.

While demonstrators wearing black arm bands protested quietly outside the building, the Right Rev. Donald Davis ordained Mrs. Jacqueline Means.

Mrs. Means was ordained under revised rules approved at the general convention of the Episcopal Church in September. The issue was hotly debated by its 2.8 million U.S. members after three bishops unofficially ordained 11 women in 1974.

While demonstrators wearing black arm bands protested quietly outside the building, the Right Rev. Donald Davis ordained Mrs. Jacqueline Means.

Mrs. Means was ordained under revised rules approved at the general convention of the Episcopal Church in September. The issue was hotly debated by its 2.8 million U.S. members after three bishops unofficially ordained 11 women in 1974.

While demonstrators wearing black arm bands protested quietly outside the building, the Right Rev. Donald Davis ordained Mrs. Jacqueline Means.

Mrs. Means was ordained under revised rules approved at the general convention of the Episcopal Church in September.



## The Limits of Security

In the years since the assassinations of President Kennedy, Martin Luther King and Robert Kennedy, fear of the assassin has come to haunt U.S. public life. From the first presidential primaries onward, the Secret Service agent is a prominent fixture on today's political scene. In 1963 the Secret Service had 450 agents and an annual budget of \$5.8 million. In the current fiscal year, the Secret Service has 1,650 agents and a budget of \$115 million. Any earlier chance of restraining that trend was severely damaged last year by two attempts on the life of President Ford. All the same, there are good reasons for the new Congress and the Carter administration to take a hard look at the costs and consequences of trying to assure the absolute personal security of the nation's most important and conspicuous public figures.

Until 1963, the Secret Service's personal protection was accorded the president and the vice-president. And that was it. Today, by various acts of Congress, the Secret Service also protects former presidents and their wives for life; the widows of presidents for life unless they remarry; the minor children of former presidents until age 16; all "major" candidates for the presidency; Secretary of State Henry Kissinger; Secretary of the Treasury William Simon; visiting heads of state or government; other foreign dignitaries designated for such protection by the president; and the persons and families of the president and vice-president. That is a large part of the reason for a 20-fold increase in the agency's budget in the years since the tragedy in Dallas. Each assassination or assassination attempt has stirred the same reflexive response from the Congress. It takes the form of a question to the Secret Service: Do you need any more money or authority?

Interestingly enough, the initiative has not come from the Secret Service. On the contrary, the Secret Service itself has been concerned about the rate at which Congress has expanded its assignments. The service is understandably worried about becoming a personal security agency, which it traditionally has not been, instead of a law enforcement agency, which is how it prefers to see itself. Before 1963, only 35 per cent of the Secret Service's business concerned personal security; 65 per cent of its effort went into tracking down counterfeiters and forgers of government checks and bonds. Today the figures are reversed, and the Secret Service is beginning to worry about its image. The more it looks like a personal security agency, the less able it may be in time to attract the first-class law enforcers who helped to give the agency its reputation.

Ironically, it is that reputation for crisp efficiency that has increased the demand for the agency's protective services. Mr. Kissinger, for one, had the choice of using the

personnel of the State Department after he became secretary of state, but he elected to maintain the Secret Service coverage he had received at the White House. That same factor—efficiency—helps explain the popularity of the Secret Service with presidential candidates last year. As any of those candidates will readily concede, a measure of order and an aura of importance were added to their campaigns when the Secret Service came aboard. Among other things, the Secret Service makes certain, for its own reasons, that the campaign runs on schedule. In effect, then, Secret Service coverage is a hidden, tax-supported subsidy for presidential candidates.

The monetary costs aside, another price paid for all this security is its transforming impact on our public life. For one thing, Americans are in danger of measuring the importance of public officials by the size of their bodyguards. For another, the proliferation of ear-plugged, flinty-eyed agents, walkie-talkies in hand, is not doing a thing for the appearance of American officialdom. To put it bluntly, the United States is acquiring, as its leaders parade about in public, the look of a police state.

How much real protection does all this security buy? Not much, judging from the record. Secret Service protection may make assassination more difficult and more dangerous for the assassin. But it is tragically self-evident that there is no guaranteed way to shield presidents, candidates or any other public officials when they are exposed to crowds—as witness Dallas, the disabling of George Wallace, or the more recent near-miss attempts on the life of President Ford. If Lynette Fromme had been more proficient with a .45, President Ford would have been in mortal danger before his protectors could have reacted. Sara Jane Moore's aim was spoiled by an alert citizen, not a Secret Service agent.

To keep Secret Service agents from becoming status symbols or campaign aides, it seems to us that a new set of guidelines is in order. Their shape will depend on the level of threat as it is perceived by the responsible leaders of Congress and the executive branch.

It ought to be obvious by now that there is no such thing as guaranteed, foolproof security. It also seems obvious, at least to us, that the effort to achieve it—to put the best face on what now seems to be going on—has gotten out of hand. To put the worst face on it, what may be happening is the creation of yet another status symbol for those who hold or have held power. To the extent that this is what, in fact, is going on, it is perhaps worth remembering, in this time of transition and rich promises of reform, that the personal security mission of the Secret Service is to provide protection, within reason, and not to adorn.

THE WASHINGTON POST.

## Reorganizing World Aviation

President Ford's recent rejection of the new transatlantic air routes recommended by the Civil Aeronautics Board last summer is hardly a surprise. The chairman of the CAB had dissented vigorously from the decision and there had been considerable public criticism of it. By sending the matter back to the board, with directions that it submit a new recommendation by next Sept. 1, Mr. Ford may have cleared the way for the kind of reorganization of international aviation that is desperately needed.

There is, of course, a great deal of unhappiness with the President's action. The airlines that had won major new routes from the CAB—most notably Delta and Northwest—are understandably disappointed. So are several major cities, many of them in the South, which would have gained the status of gateway points from which direct overseas flights could begin or end. But there is no justification for the denunciation expressed by the chairman of Delta, who called Mr. Ford's action "a good way to slap the South" for voting so heavily for President-elect Carter.

The trouble with the CAB's original recommendation, as we said last summer when it was announced, is that it failed to deal with the structure of the transatlantic aviation market. The two major American airlines in that field—Pan American and TWA—are in serious financial difficulty. They compete for passengers with airlines that are owned by or subsidized by governments. Landing rights are negotiated, usually on a reciprocal basis, between governments. Mr. Ford is quite right in saying that the CAB did not adequately consider these and similar factors in arriving at its recommendation. The transatlantic market, like the rest of international aviation, is not

one in which the existing process of airline regulation works well.

Nevertheless, Mr. Ford's action may well have given the CAB an assignment it cannot fulfill. A majority of its members wrote last summer that they did not believe it had authority to depart from its normal and traditional procedures in order to restructure a major part of the airline business. The CAB, they argued, is a quasi-judicial agency which is bound by the requirements of the Administrative Procedure Act and by the evidence presented to it. In other words, a majority of the board said that it could not do some of those things Mr. Ford is now telling it to do. Whether that position will now change remains to be seen.

What is needed, of course is a massive reshaping of government policy towards the entire airline industry, domestic as well as international. That is a task which we think should be undertaken by the executive branch and Congress and not by the CAB. There are many hard questions: How many American overseas carriers should there be? Should they be subsidized? What are the chances of reducing over-capacity and under-pricing through international negotiations? Should government regulation be decreased drastically in domestic markets? We urge Mr. Ford to tell Congress before he leaves office how he thinks these and other questions ought to be approached. And we urge Congress to face up, finally, to the problem of trying to make some sense out of a system of regulation that was appropriate for the airline business in its struggling infancy but simply does not work at the present time. Even if the CAB is to be left with the problem of working out the details of a new national and international aviation structure, it ought to have better guidelines to work with.

THE WASHINGTON POST.

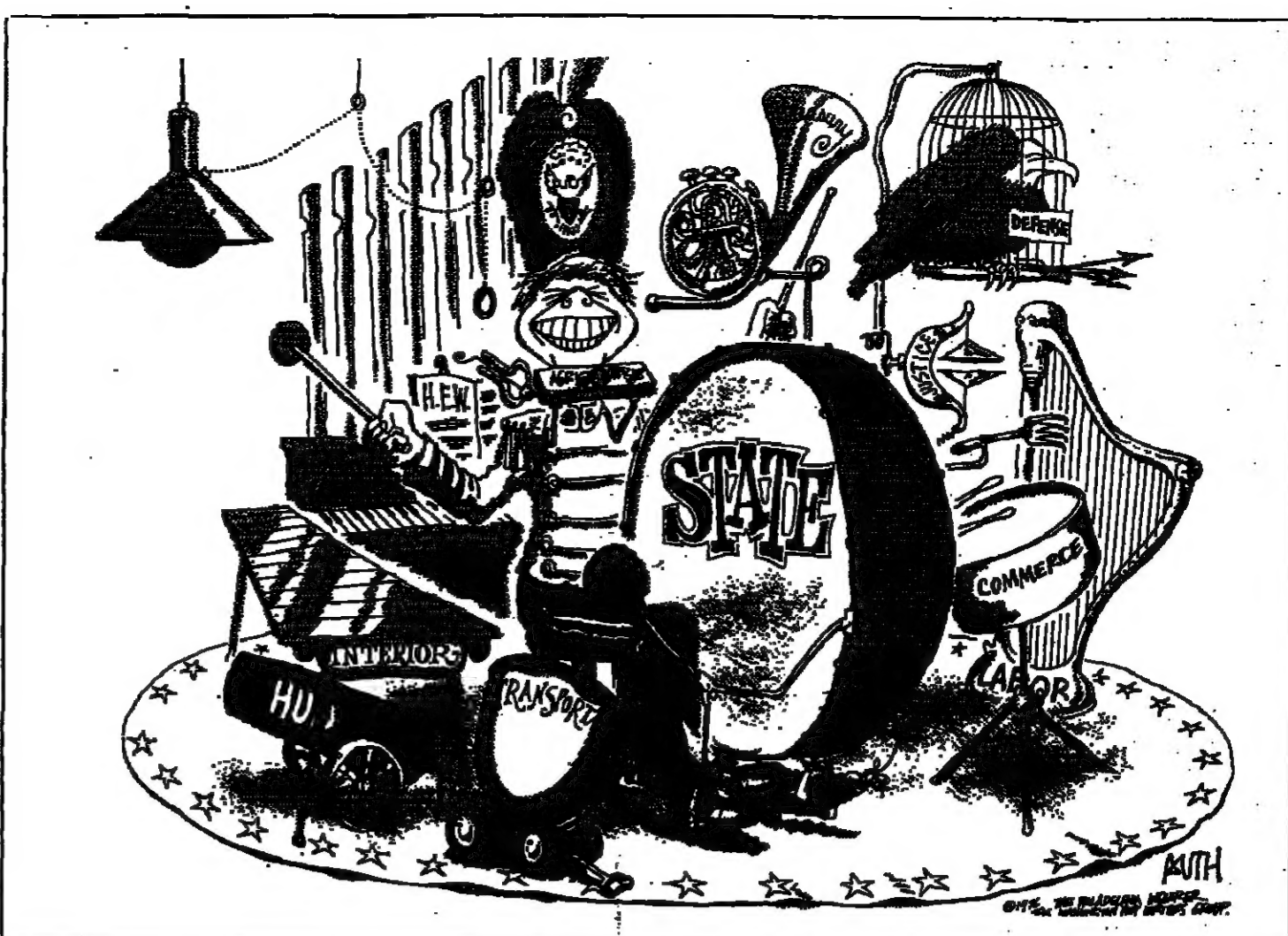
### In the International Edition

#### Seventy-Five Years Ago

January 3, 1902.  
NEW YORK.—One of the officials of the Westinghouse Company declared that the statement published yesterday by the New York Herald regarding the alleged merger by Mr. J. Pierpont Morgan of that company and the General Electric Co. is so far as he is aware, without foundation. The Herald, however, today says that it is admitted by the representatives of both companies that negotiations for amalgamation are in progress.

#### Fifty Years Ago

January 3, 1927.  
SAN DIEGO.—More than 60 earth tremors were felt before the succession of earthquake shocks which terrorized the inhabitants of the Imperial Valley finally spent themselves last night and this morning, reports said. Although many minor injuries were reported, due principally to breaking glass and flying parts of houses, the phenomenon, by a strange freak of fate, caused no loss of life as far as can be learned at this moment.



## The Decline of Dogmatism

By James Reston

WASHINGTON.—At the beginning of the new year, maybe the most promising aspect of politics in Washington is the decline of dogmatism. It would be too much to say that everybody has suddenly acquired a cavalier respect for the opinions of others, but almost everybody seems to be listening a little more and shouting less.

Not so long ago, this town was full of people who knew, by God, that they were right about how to handle inflation, unemployment, welfare, Vietnam, and a lot of other things. But now, while equally glibly, they seem less cocky that they have all the answers to the complicated problems of the coming year.

The Carter people are beginning to hedge their bets on some of the simplistic promises of the election campaign. The more they look at the facts and the closer they come to executive responsibility, the more they realize that they are at least partially trapped by the past and have less room to maneuver than they imagined even a few short weeks ago.

### Judged by Words

Also, at least some of them are beginning to wonder if they haven't been talking too much in public before mastering their subjects. Most of the people chosen for the Cabinet and the White House staff have no recent records on which they can be judged; therefore they have to be judged by their words, and their words lately have been both ambiguous and even contradictory.

Nevertheless, they are coming to power at a time when most of their supporters and opponents in the Congress are also less sure that the liberal or conservative doctrines of the past will deal with issues of 1977, and if there is a healthy outbreak of self-doubt here, it seems to be affecting other governments elsewhere. The Callaghan government in Britain, for example, is not finding the answer to its problems in Fabian socialism. Even President Giscard d'Estaing in France and Chancellor Schmidt in West Germany, probably two of the most intelligent politicians in Europe, are finding that the economic and social demands of their people are outrunning their means, and that rising populations are requiring more jobs and services than they can provide or afford. Even Japan, which thought it had the answer to these problems, is wondering what happened to its economic "miracle."

The Communist countries are also finding that they have seen the future and it doesn't work as well as they imagined: shortages in Poland and East Germany, apparent political uprisings in post-Mao China.

These adjustments are proving painful in most of the industrial world, not to mention India and the Philippines, which have given up on democracy for the time being, and in Mexico, which is in the midst of a serious financial crisis. But as a result of all this confusion there are some advantages at the beginning of the new year.

Terrorism and repression still exist all over the world, but there is less of a tendency to let the forces of fanaticism get out of hand, and a growing realization that many problems cannot be solved by ideology or violent hostility to other nations.

### Mature Atmosphere

Accordingly, the Carter administration is coming to power early in the new year in a more mature if more complicated atmosphere than most of its predecessors since World War II. The nation is at peace for the first time in almost a generation. The emotional divisions of Vietnam and the fevers of the election have passed. Relations between the races and the generations in the United States are better, if not good, and while Carter has an urgent and potentially explosive problem on his hands in Panama—partly because of his own excessive promises in the campaign—the chances are

he will have time to organize his administration and formulate his policies without any great confusion at home or abroad.

He has the added advantage of a Congress of his own party and new leadership in both houses which is likely to give him more support than it gave President Ford. And despite his narrow victory, the nation is remarkably calm in the face of high prices and unemployment, and waiting patiently and even hopefully to see how he performs.

Much will depend on the pace

and tone of his actions in the early days of his administration. Nobody expects a sudden flurry of legislation in the first hundred days, but his manner of speaking to the nation and the world during that period will go a long way toward establishing his relations with the Congress, the American people and the other governments of the world.

He is approaching all this very cautiously and undramatically, but there is probably far less going on in these informal and unbuttoned Cabinet meetings

than meets the eye. He has scarcely had time to get acquainted with his new associates, let alone to formulate policies, but he is not coming into a tragic city like Lyndon Johnson in 1963, or a war like Richard Nixon in 1972, or a constitutional upheaval like Gerald Ford in 1974. New presidents never have enough time to do all that confronts them, but Carter will probably have more time than most. And, unlike the last three, he is not being shoved by as many dogmatic fanatics.

## A Dialogue Even of the Deaf

By C.L. Sulzberger

TRIPOLI, Libya.—Not long after Jimmy Carter won the election, Col. Moammar Qadhafi, president of the Libyan Arab Republic, cabled him offering "to foster relations of cooperation" with the new administration.

Qadhafi, who is also chairman of Libya's Revolutionary Command Council, stressed Carter's "call for the observance of spiritual values." He hoped this would lead to an attitude "based on equal footing and mutual respect" helping "the cause of peace, security and justice."

Warmer relationships would certainly constitute a change; right now they are limited and cold. The last U.S. ambassador left here in 1972 after Wheelus Air Base had been closed and American oil companies nationalized by Qadhafi's revolutionary regime. Since then the embassy staff has been restricted to 15 persons and is headed by a chargé d'affaires.

### Xenophobia

There has been clear hostility to the United States and sparse diplomatic access to the government by its representatives. Although some 2,000 Americans virtually operate Libya's booming oil production, they are out of touch with the local population, which is quite xenophobic by tradition and deliberately isolated from foreigners.

However, recently Tripoli has taken an initiative to improve relations. It proposed opening a dialogue, ending numerical restrictions of embassy staffs, and the exchange of ambassadors. It even named a new envoy to the United States but he was not accepted by Washington which, on its part, made no move to reciprocate.

Moreover, although Libya wished to buy U.S. arms and an

initial purchase of eight Lockheed C-130 transports was paid for, Washington blocked their export.

The "dialogue" offer was cold-shouldered. The United States does hundreds of millions of dollars worth of commercial business here, buying one-fourth of Libya's oil and selling much agricultural machinery and civilian aircraft; but diplomatic business is stalled.

I discussed all this at length with Qadhafi in a Bedouin tent outside this city. Our conversation was interrupted by Dr. Tahar Sherif Ben Amer, minister of state to the presidency, but Qadhafi, who speaks considerable English, occasionally interrupted in that language and answered most questions without waiting translation into Arabic.

The nub of what he said was this: "I believe in dialogue as a means of understanding. We are ready for a dialogue; the higher the level, the more effective the result. But this can be gradually approached. The ripe opportunity will be after President Carter takes over. I am relatively optimistic."

Nevertheless, burning issues still separate the two countries. Qadhafi resents Washington's assertion that he encourages terrorism abroad, from the Middle East to Northern Ireland and the Philippines. "We are the only country in the world with a stiff law against terrorism," he insists.

### Supports IRA

He acknowledges continued moral and political support for the IRA in Ulster because that is "an integral part of Ireland and the Irish nation is different from the English nation. Why even Scotland now wants its independence. But we give only moral and political—not material

—backing, as we do to other just causes."

The most troublesome point is Israel. Qadhafi strongly opposes U.S. policy there. He says: "I don't consider the idea of a Geneva peace conference worth while. We must return to the original point in setting this problem. We must go back to the Palestinian population of Arabs and oriental Jews in 1947-48 and accept their coexistence in any form they desire. Anything else, I consider aggression."

That obviously implies return of all Arab Palestinian refugees and their families, exodus of most of Israel's Jews, and destruction of their state. Such an extreme solution—which would certainly provoke war if attempted—is strongly opposed by the United States and many other countries, although Qadhafi denies this. Even several Arab lands now accept recognition of an independent and much larger Israel as part of a settlement.

### Compromise

There seems little room for compromise between the U.S. and Libyan views on this—no more under Carter than under Ford. But this should not prevent the dialogue Qadhafi seeks.

On the contrary, were the United States to end its ambassadorial boycott and send a new envoy, ultimately beginning frank talks, it might be possible to disagree on Israel while finding common ground on certain other issues. It is more important to have ambassadors in countries where one has problems than in lands where everything is roses. Dispatching an envoy to a capital with which the United States has poor diplomatic relations is not a sign of approval—but of interest and concern.

## Letters

### Euro Market

Your recent item, "Citibank Rejects Criticism of Over-Aggressive Lending" (ET, Dec. 15) suggests these comments.

1) One source of the "criticism" was your recently published supplement on the Eurocurrency market. Its tenor was dismay (almost anger) at the fact that the courage and acumen of free enterprise institutions such as Citibank are freeing some developing nations' economies (and standard of living) from dependence upon bureaucratic socialist-minded government economic planners.

2) Since a key point in Socialism is the immediate nationalization of the banking system, it is naturally infuriating for Socialists to see free enterprise helping the people of a developing nation such as Zaire. Denigrating the quality of Citibank's loans is a to-be-expected result.

3) Citibank would have been vilified if it had denied credit to Zaire.

T. CARL WEDEL

Venice, France.

### Rexroth's Worries

Kenneth Rexroth (ET, Dec. 21) is worried about our cultural and moral "breakdown," although he assures us that it's "nine-tenths"

caused by the "petroleum industry" and reassures us that he's not "getting into some kind of moral rage" (Heaven forbid) about Manson, "diabolical cults of murderers," and "increasing homosexual prostitution" (if not on moral grounds he objects; aesthetic?).

Nevertheless he's worried and prefers Japan. How droll! All this from an old-time connoisseur of chaos, nihilistic aesthetic, and rejected savior of that particularly moral miss, the Communist party; all this from a man who says in the same interview that he and his wife subscribe to "Playboy" and "Penthouse" because these morally outrageous magazines "don't give a goddamn what they say and what they do."

And yet he's worried about our "breakdown."

MICHAEL D. AESCHLIMAN, Montagnola, Switzerland.

### Mozambique

You had an article on Dec. 21 about the shocking state of today's Mozambique. (Next to it was an article about the increasingly desperate position in Portugal.)

I wonder why so many people today are surprised about what now happens in Mozambique, i.e.,

turning the country into a Maoist totalitarian state. This is exactly what the Portuguese, and moderate, responsible Mozambicans predicted in the event of Frelimo coming to power. One of these moderate (black) Mozambicans is Joana Simelo. She was in opposition to the previous regime in Portugal and for a free Mozambique. Where is she now? The answer is: in jail under terrible conditions since the so-called "liberator" Machel took over.

In a way it is not surprising that nobody in the West of about her. All the pro-liberals all over the free world have been launched a protest against atrocities in Machel's state. (See Mr. Palme of Sweden's comments.)

The hard fact is: for these proclaimed grand democrats of democracy is only of concern in non-socialist states.

JAN E. BENITZON

Bergen, Norway.

INTERNATIONAL  
**Herald Tribune**  
Published with The New York Times and The Washington Post

Chairman John Hay Whitney	Co-Chairman Katharine Graham Arthur Ochs Sulzberger
Publisher Robert R. Eckert	Managing Editor George W. Bates
Editor Murray M. Weiss	Harry Becker, Senior Editorial Writer

International Herald Tribune, S.A. au capital de \$350,000 F.  
R.O. Paris No 15 2112, 21 Rue de la Harpe, 75004 Paris Cedex 12.  
Tel.: 231-22-00. Telex: 22170 Herald, Paris.  
La Direction de la publication: Walter R. Thayer.  
© 1977 International Herald Tribune. All rights reserved.  
Commission Paritaire No 94321



# Small Band of Citizens Is Waging War on U.S. Income Tax

## Omission of Earnings Figure Called Legal

By Fred Farris

WASHINGTON, Jan. 3 (UPI).—There was that report that 244 persons who made \$300,000 or more each in 1974 paid no federal income taxes, through loopholes and tax shelters.

And the other report that the Ford Motor Co. had worldwide before-tax profits of more than \$500 million in 1974 and still paid no U.S. income taxes. Ford and 10 other big U.S. corporations paid no federal income taxes on large profits in 1975, either.

Again, loopholes.

And last summer, the government thought that Americans living and working abroad were getting off far too easily so it raised their U.S. income taxes substantially. Cries of "injustice" followed.

They are not alone. Similar cries of "injustice"—coupled with charges of "tyranny" and "unconstitutionality"—come from a small but determined band of Americans at home who are conducting a bizarre war on the federal tax system.

They pay no federal income taxes and claim they are within their rights as citizens and are not breaking the law. They do not use legal loopholes, like many well-to-do Americans, they just do not tell the Internal Revenue Service how much money they have made. Many of them file tax returns but simply omit the income figures.

Amendments Cited

Moreover, they justify their refusal to provide income figures on the grounds that the Fourth and Fifth Amendments of the Constitution protect them. The Fourth forbids searches and seizures of private papers and effects without warrants and the Fifth protects persons against being forced to make incriminating statements about themselves.

These tax protesters are said to number several thousand now and some of the leaders of the anti-tax movement—most of whom are ultraconservative politically—say the number is increasing rapidly. One of them, Lowell Anderson of Mills, Wyo., told a reporter that this is "be-

cause we have been going around the country . . . giving seminars on the basic principles of freedom."

Few of these people are in prison. Some have been prosecuted and some jailed, but many have not even been brought to court.

Take Gary Mason of Rexford, Idaho. Mr. Mason says he has paid no federal income taxes since 1969. Although he faithfully sends in a tax return each year, he omits income figures.

Why has he not been prosecuted? Mr. Mason said, "I think they're having trouble locating what they call the gross income. They usually get all your records from the bank. I've just never used banks."

He says the checks he receives for his lectures ("I try to teach . . . people how to defend themselves in court without a lawyer") are cashed quickly. He deals mostly in cash and converts some cash to gold, which he stashes all over the country, he said.

Not Contested

Mr. Mason said he knows thousands of people who do not file income tax returns and have not been contacted by the IRS about it.

Mr. Anderson said he has not paid income taxes "for several years," although he says he used to because "I was ignorant of the law at the time."

And Vaughn Ellsworth, of Mesa, Ariz., said he has not paid federal income taxes since 1969. They are the exception, of course. Americans paid an average federal income tax of \$1,839 in 1974, the IRS reports, and \$3,123,000 of them filed tax returns last year.

### Icebreaking on Elbe

BERLIN, Jan. 2 (UPI).—East German inland waterway authorities deployed 16 icebreakers yesterday to break up ice flows hampering barge traffic on the Elbe River and canals, the East German news agency ADN said.

Why are the tax resisters holding out, then? They appear to believe the income tax has created a federal government both too big and too costly. They also think it is illegitimate. They apparently feel the income tax has produced a huge bureaucracy and led the nation nearer to socialism.

Mr. Anderson, who says his publication, "We the People," has a circulation of about 1,000, argued that the anti-tax movement goes beyond just taxes. "This whole movement is not against taxes, because it's not taxes we're talking about, but principles . . . It's tyranny . . . The Founding Fathers tried to stop the things King George was doing such as depriving citizens of property without due process. 'Well, the government is doing the same thing King George was doing. They [the Founding Fathers] weren't opposed to taxes, they were opposed to the tyranny of the rights they had from the day they were born.'"

Disaster Warning

The IRS implies they are crackpots. Donald Alexander, commissioner of internal revenue, told a reporter he has heard about such tax rebels for four years and said he had been warned back in 1973 "of a disaster to the system."

"Balaony," he said. "There are a few people in the lunatic fringe out there that think the tax system depends on our being on the gold standard . . . There are very few. They're very noisy and they like publicity."

Perhaps they are "very few"—a few thousand out of more than 80 million taxpayers—but some of them sell publications spreading the word and advising others how to avoid paying income taxes.

Mrs. Ellsworth, for example, publishes—at \$5 a copy—"W. Vaughn Ellsworth's Simplified Bill of Rights 1040 Income Tax Packet." In the packet is a 32-page booklet that includes a tax-return form 1040 on which the buyer need only enter his name,

address, Social Security number and information about dependents.

Also included is a form letter to be sent with the tax return protesting to the IRS that taxes are not uniform. "We cannot understand," it says, "how huge foundations and banks are tax-free, while the more we earn, the higher is our tax."

"We also read of the scores of millionaires who pay no taxes, while we working people are asked to pay their share."

Offers Precedents

The letter explains in detail Mr. Ellsworth's philosophy and offers legal precedents to justify his views.

Other such publications include "Freedom Fighter," published by René Baxter, of Trail, Ore., and the monthly "Tax Strike News," put out by James and Anita Lowery of Porterville, Calif.

Complicating the whole matter is the apparent gray area in court rulings that encourages the tax protesters.

Former IRS Commissioner Mortimer Caplin, now a prominent tax lawyer, said the Supreme Court "has never specifically passed upon whether you could take the Fifth Amendment on your tax return. There have been allusions to this in some court opinions, he said, but 'no square holding on it.'"

On the other hand, an IRS fact sheet, "Tax Protesters," says the courts have held in several cases against use of the Fifth Amendment or the claim that only gold and silver currency may be taxed as reasons for not paying income taxes. (Mr. Ellsworth's letter argues that Federal Reserve notes are not lawful because they lack gold or silver backing.)

The IRS sheet says, "It is now well settled that the income tax laws are not unconstitutional under the due-process clause of the Fifth Amendment," quoting a 1963 appeals court ruling which the high court let stand.

And the Justice Department,

which handles criminal prosecutions for tax evasion, notes that in several appeals-court cases the courts have ruled that the Fifth Amendment is not a blanket privilege for failing to complete properly an income tax return.

While the number of tax resisters is said to be increasing, taking that road is not without risk. Mr. Ellsworth, a 56-year-old former farmer, was convicted last fall of filing false income tax returns. He was sentenced to three years in prison but remains free pending an appeal. "They've already pinned a temporary conviction on me," he said, "but this is going to be the biggest backfire in the IRS's history."

Mr. Mason, who files returns minus income figures, said he now makes his living representing people who also feel the income tax is tyrannical. And, he said, none of his clients has ever been sent to jail on tax charges.

He recommends against owning property in order to remain "judgment-proof," so that, if the tax collector eventually wins his case, he will not be able to find anything to seize.

## Mexico Delays Penal Reform

MEXICO CITY, Jan. 2 (AP).—The Mexican Congress has effectively shelved a penal reform bill that resulted from a campaign led by U.S. inmates seeking parole from Mexican prisons.

However, despite the congressional adjournment until September, eight U.S. citizens as well as 23 other prisoners say they are continuing a hunger strike in support of the legislation to reinstate drug offenders' parole rights, which were suspended in 1972. About 100 of the 600 Americans in Mexican jails on drug charges were originally involved in the strike but many gave up Friday when it became apparent that the bill would be delayed.

The bill has remained in committee since it was introduced Sept. 7 by President Luis Echeverria, who was succeeded Dec. 1 by Juan Luis Portillo.

MAO MEMORIAL BUILDING—A general view of the construction site in Peking where a monument to the late Mao Tse-tung is being built on Tiananmen Square near the Heroes' Monument, the huge white shaft in the center of the photo.

## Aide Says China Unrest Predated Purge of 4

PEKING, Jan. 2 (Reuters).—China's recently reported provincial unrest, largely occurred before Mao Tse-tung's widow, Chiang Ching, and three others were detained for allegedly plotting a coup d'état, he added.

The official accused the four of backing both sides in the Peking dispute, which led to murder, rape, armed conflict and sabotage.

In recent weeks, the radio has reported violence in a third of China's 29 provinces, including "civil war" in southwestern Szechwan. But the stations have

following the arrest of four radical leaders in October. But no new disputes had begun since Mao Tse-tung's widow, Chiang Ching, and three others were detained for allegedly plotting a coup d'état, he added.

The official accused the four of backing both sides in the Peking dispute, which led to murder, rape, armed conflict and sabotage.

In recent weeks, the radio has reported violence in a third of China's 29 provinces, including "civil war" in southwestern Szechwan. But the stations have

rarely given the dates of the conflicts. The official said they took place over a long period but it had not been possible to reveal them while the radicals held power.

Colloids With Purge

Analysts here believe that the decision to disclose the provincial unrest now may have been timed to coincide with the nationwide purge of radicals under way. "It is to prepare the people," an analyst said.

Earlier today, Vice-Premier Li Xisen-men told a British Conservative party delegation that the radical's scheming began in 1974 and it would take a long time to eradicate their influence.

The delegation's leader, Baroness Elles, said Mr. Li told her that the arrested four radicals had plotted "student against student, peasant against peasant" and had seriously damaged the economy.

Baroness Elles said that the vice-premier told her that other Politburo members criticized the radicals before Mao died in September, but the group had not been toppled because the leadership did not want to disturb Mao during his illness.

### Prosperity Pledged

HONG KONG, Jan. 2 (NYT).—China pledged yesterday to "create a completely new situation" in which there will be greater political "freedom," economic prosperity and freedom for science and the arts.

The pledge was made in a major New Year's Day editorial. Apparently in an effort to overcome widespread uncertainty among China's 650 million inhabitants after a year of political turmoil, it said that "the situation is steadily improving and will develop faster and better than people can now anticipate."

The editorial also made what seemed to be an attempt to dispel doubts about the authority of Hua Kuo-feng, the new Chairman of the Chinese Communist party. It asserted that, with Mr. Hua's "victory" over the "gang of four," his "leading position in the whole party has been established."

## Soviet Pianist, Fiancée Defect On French Tour

PARIS, Jan. 2 (UPI).—A prize-winning Soviet concert pianist and his fiancée defected to the West in Paris last month and said in an interview published yesterday that they left because of constant ideological pressures and because they were forced to spy on their fellow musicians for the KGB.

Mikhail Rud, 23, told Michel Godey of the French news-magazine Express that he left the country because "I couldn't put up any more with the ideological pressures and the constant surveillance at the Moscow Conservatory."

Mr. Rud, a star pupil of the conservatory and 1975 winner in France of the Marguerite Long international grand prix for pianists, went on an official tour of France in November. He was joined in Paris by Elena Varvarova, 26, a piano student at the Moscow Conservatory and his fiancée.

"You have to make a report on your colleagues when you get back to the U.S.S.R.," Mr. Rud said. "Even if the report is of no interest, the KGB thinks it's got something on you. Most Moscow intellectuals think a KGB informer can't 'choose freedom' without running the risk of assassination or reprisals against his family."

Mr. Rud said the KGB organized virtually everything at the Moscow Conservatory, from prescribing courses in musical history for the 800 students to deciding which modern or classical composers were to be played on concert tours. "Two people out of three at the conservatory work for the KGB," he said.

### A Correction

WASHINGTON.—A Washington Post article published Dec. 30 in the International Herald Tribune stated that Gen. Vernon Walters, former U.S. military attaché in Brazil, has acknowledged that, following the 1964 military coup there, he had breakfast with Brazilian Army Marshal Humberto Castelo Branco and urged him to assume the presidency. Although there have been published reports about this incident, Gen. Walters has not acknowledged their accuracy and has denied that such a meeting took place.

## Obituaries

## Emilien Amaury, 67, Focus Of French Newspaper Dispute

BEAUVAIS, France, Jan. 2 (UPI).—Emilien Amaury, 67, one of France's most powerful newspaper owners and a key figure in the national press dispute, fell from a horse while riding in Chantilly Forest today and died hours later.

Mr. Amaury, owner of the Parisian daily newspaper, L'Express, and its weekly supplement, L'Express du Dimanche, was taken to a hospital in Beauvais, 30 miles from Paris, where he died.

Mr. Amaury had been in the hospital since Dec. 20, after suffering a stroke. He was 67 years old.

Complex Negotiations

The accident occurred in the middle of complex negotiations between Mr. Amaury and the government over the future of L'Express.

Mr. Amaury had been in the hospital since Dec. 20, after suffering a stroke. He was 67 years old.

By his consistent refusal to bow to union pressure in tough negotiations, Mr. Amaury became a rallying point for French supporters of strong government and a resistance to the union alliance and the unions for more worker control in industry.

Mr. Amaury acquired a modernized plant with sophisticated electronic equipment on the outskirts of Paris. Before that, despite tough union opposition, he managed to publish his paper on nonunion premises, first in Belgium and then in northern France.

Trucks bringing issues of the paper into Paris were periodically waylaid and thousands of copies destroyed.

Sven Nielsen

PARIS, Jan. 2 (UPI).—Sven Nielsen, 76, Danish-born owner of the Presses de la Cité publishing house, died Friday.

Mr. Nielsen's company controlled 40 per cent of the French publishing business with the help of its subsidiaries Julliard and Plon. Their average annual output was 5 million volumes.

The grandson of a bookshop owner, Mr. Nielsen came to France in 1924 and worked in several publishing firms, including Hachette, before starting his own publishing business shortly after World War II.

He also was France's ranking publisher of paperbacks.

Roland Hayes

BOSTON, Jan. 2 (AP).—Roland Hayes, 88, the son of a former Georgia slave who was internationally recognized as a concert tenor, died yesterday after a long illness.

Mr. Hayes, who was born in Coveville, Ga., was renowned for his interpretation of classical and traditional black melodies. He was a pioneer in introducing Afro-American spirituals as concert music.

He also specialized in German lieder.

Mr. Hayes toured with the symphony orchestras of Boston, Philadelphia, Detroit and New York as well as those of Paris, Amsterdam, Vienna and Berlin.

His daughter, Afrika Lambé, a noted soprano, said her father was "the first black [singing] artist and paved the way for people like Marion Anderson and Paul Robeson. Before that, people considered that no black person was a serious artist. He proved that they were."

### Emilien Amaury

paper into Paris were periodically waylaid and thousands of copies destroyed.

Sven Nielsen

PARIS, Jan. 2 (UPI).—Sven Nielsen, 76, Danish-born owner of the Presses de la Cité publishing house, died Friday.

Mr. Nielsen's company controlled 40 per cent of the French publishing business with the help of its subsidiaries Julliard and Plon. Their average annual output was 5 million volumes.

The grandson of a bookshop owner, Mr. Nielsen came to France in 1924 and worked in several publishing firms, including Hachette, before starting his own publishing business shortly after World War II.

He also was France's ranking publisher of paperbacks.

Roland Hayes

BOSTON, Jan. 2 (AP).—Roland Hayes, 88, the son of a former Georgia slave who was internationally recognized as a concert tenor, died yesterday after a long illness.

Mr. Hayes, who was born in Coveville, Ga., was renowned for his interpretation of classical and traditional black melodies. He was a pioneer in introducing Afro-American spirituals as concert music.

He also specialized in German lieder.

Mr. Hayes toured with the symphony orchestras of Boston, Philadelphia, Detroit and New York as well as those of Paris, Amsterdam, Vienna and Berlin.

His daughter, Afrika Lambé, a noted soprano, said her father was "the first black [singing] artist and paved the way for people like Marion Anderson and Paul Robeson. Before that, people considered that no black person was a serious artist. He proved that they were."

Marion Becker

CINCINNATI, Jan. 2 (AP).—Marion Becker, 73, co-author of the highly successful "The Joy of Cooking," died last week.

The book has sold more than 1 million copies since it was first published in 1936, according to publisher Bobbs-Merrill of New York. Mrs. Becker's mother, Irma Rombauer, published the first edition in 1936, and Mrs. Becker joined her mother as co-author on the 1951 edition, then became author of all succeeding editions of the book. The latest edition, written in 1975, is its fifth printing.

Sir Thomas Preston

LONDON, Jan. 2 (Reuters).—Sir Thomas Preston, 90, the British consul in Ekaterinburg when the Russian czar Nicholas and his family were murdered there in 1918, died yesterday.

## S. Korea Critic, Jailed for Life, Gets New Term

SEOUL, Jan. 2 (UPI).—Kim Jong Ha, internationally known as a dissident poet and fearless critic of President Park Chung Hee, has been sentenced to seven years in prison for writings judged to be in violation of the country's anti-Communist law.

Mr. Kim, 35, already serving a life sentence for alleged involvement in a plot to overthrow South Korea's ruler, was on trial in the Seoul District Court for earlier charges.

At a 10-minute sentencing Friday, presiding Judge Shim Hoon Jung said Mr. Kim's writings in a newspaper article and notes and memos assembled for two weeks in progress proved he was helping and encouraging North Korea.

The judges ruled that mention of class struggle and other Marxist terminology in Mr. Kim's notes indicated he intended to publish subversive literature. The poet testified that the unwritten plays would endorse nonviolent revolution as the route to social justice.

Tradition Takes Toll

TOKYO, Jan. 2 (Reuters).—Eight persons, all but one of whom were more than 70 years of age, choked to death while eating traditional glutinous New Year rice cake, officials reported.

# Financing growth worldwide

Morgan Stanley provides a full range of investment banking services throughout the world to international institutions, governments, government agencies, corporations, and institutional investors. Our services include the raising of capital, advice on financial strategy and capital structure, project financing, mergers and acquisitions, and securities' brokerage and trading.

Since our founding in 1935, we have managed public offerings and arranged private placements of securities worldwide with an aggregate value exceeding \$100 billion.

Today, Morgan Stanley International, our European subsidiary, is a leader in Euromarket financing—a reflection of proven ability to meet the expanding capital needs of our clients throughout the world.

# MORGAN STANLEY & CO.

Incorporated



# By Zbigniew Brzezinski: Specter of an Isolated U.S. in a Hostile World

These are excerpts from an article written for Foreign Policy magazine by Zbigniew Brzezinski, nominated by President-elect Jimmy Carter as his assistant for national security affairs.

TWO hundred years after the birth of the first nation committed explicitly to the principle of independence, the appearance of a world based on self-determination has become somehow troubling and threatening to the very nation that has contributed so directly to the shaping of this new world. Indeed, it poses the specter of an isolated America in a hostile world.

That world appears hostile not because it so proclaims itself—though parts of it do—but because what is happening in that world seems so at variance with American values and expectations. Global politics are becoming egalitarian rather than libertarian, with demands from more politically activated masses focusing predominantly on material equality rather than on spiritual or legal liberty. Moreover, the global distribution of power is beginning to favor political systems removed philosophically, culturally, ethnically and racially from American antecedents, while the process of redistribution of that power is threatening new forms of violence. All of that makes for an uncertainty in America about the thrust of global change—and in many parts of the world for the feeling that America is against global change.

The result is a fundamental shift in the way that Americans perceive themselves in relation to the rest of the world, and in the way much of that world perceives America. Traditionally, Americans have seen their society as the wave of the future, and as an embodiment of libertarian values of universal permanence; much of the world—be it poor immigrants or activist nationalists—has seen America much the same way. This libertarian link defined America's place in the world and gave America a very special standing.

Today, many Americans recoil in horror from a world that appears to them headed in the wrong direction, while many abroad—especially in the new nations—perceive America as indifferent or even hostile to their condition. America's bounty—which in the past was seen almost as history's reward for America's liberty—has become the focal point of envy, thus breeding in turn anxieties regarding the egalitarian values proclaimed by the newly emancipated nations.

America was born in liberty. That central fact shaped much of America's character and world role during the subsequent 200 years of its history. It also defined the nature of the world reaction to America during much of that time, thus making the spiritual dimension an important aspect of America's world role.

To be sure, the social and even political reality of America was far removed from the libertarian ideal. The America born in liberty was largely a mixture of a slave-owning rural aristocracy and newly emerged urban commercial class, with voting rights restricted to a minority. The subsequent 200 years of the country's history can be seen in large measure as a struggle to fulfill that libertarian ideal and to give it substance in the context of a changing socio-economic setting.

The idea of liberty, wedded to the notion of progress, was "in the air" in the late 18th and early 19th century—and the appearance of America expressed it. Though the parallel may strike some as offensive, the above also explains why Cuba or China are today so attractive to so many. The idea of equality is increasingly the underlying mood and the felt aspiration in an increasingly congested world, and it is more often than not first expressed by intellectuals. Thus—in spite of the regimentation and the pervasive control that dominate both the Cuban and the Chinese societies—to many people both countries have become significant symbols, not unlike the way that America impacted on many sympathetic and fascinated late 18th and early 19th-century Europeans.

This condition could not last—but it did last long enough to stamp in a special way America's relationship to the world. It was a liberating relationship. Indeed, even the profound crisis of American capitalism of the 1930s did not vitiate but reinforced that relationship. Franklin Roosevelt, by creatively applying through the New Deal a mixture of liberalism with a dose of socialism to the American conditions (with both theories representing the major reactions to and normative syntheses of the earlier European industrial experience), shaped a model which to many Europeans became again a compelling vision of the future. It seemed to preserve and even to enhance personal liberty by infusing that liberty also with an egalitarian social component. World War II and its immediate aftermath were thus the high watermark of the American appeal.

As a consequence, American foreign policy operated from a philosophical base and with a mass appeal that provided unique assets and were probably as important to the post-World War II American paramountcy as were its military might and its relative gross national product to that of the rest of the world. Though egalitarianism was already beginning to gain momentum in the more advanced societies, its appeal was hampered on the one hand by the discredited Stalinist Soviet Union and on the other by the fact that much of the rest of the world was still preoccupied with its own national emancipation. That emancipation, as Nehru or Nkrumah or Sukarno would often emphasize, partook for its emotive power more from the American than from the Bolshevik or from the Chinese revolutions.

Yet in that process a subtle but accelerating change was taking place. The Western, largely urban society was quietly becoming welfare-oriented while the new states were rapidly confronted, almost at their birth, with the consciously perceived reality of global inequality. The attainment of their external liberty, rarely if ever matched by domestic liberty, thus became the point of departure of a quest for greater global equality—an equality more often defined externally (for example, in "The Charter of the Rights and Duties of States" proposed by Mexico's President Echeverria in 1973) than practiced internally—with the result that in the space of two and a half decades the broad preoccupations of the more activist and articulate international political actors have been rapidly transformed.

Today, the traditional American values of individualism, free enterprise, the work ethic

and efficiency are contested both at home and even more abroad by statism, emphasis on the collective (national or societal), on social equity, and on welfare. The desire for a "new economic order" is symptomatic of the new global mood—and America's relationship to that desire is much more ambivalent. The quest for greater global welfare appears to many Americans as a claim on their resources and as portending the confiscation of the fruits of their labor, with the result that sympathy for the new nations has gradually given way to rising suspicions and antipathy. A gap in values and perceptions has opened between America and major parts of the world.

The attendant danger of a philosophical isolation without precedent in American history has been accentuated by the new style and substance of U.S. foreign policy, especially as pursued by the Nixon administration that came into power in 1969.

This further widened the gap that was opened already during the Vietnam war—a war initiated by an administration that paradoxically was more sympathetic to global change and provided the emotional underpinnings for an increasingly hostile attitude abroad toward U.S. foreign policy.

This diversity notwithstanding, the general trend is toward systems that diverge from the American blend of private enterprise, corporate ownership, and indirect governmental control. While the United States has not been immune to these trends, with the post-Depression New Deal expressing in America a new societal perception of the government role, it has been more reluctant than most other advanced industrial societies to accept governmental intervention in social and economic affairs. Even its immediate neighbors, Canada and Mexico, have gone considerably farther in social legislation and in extending the scope of the central government's economic power. Moreover, on the level of doctrinal rhetoric, the American commitment to free enterprise, to the business ethic, to the creative role of the profit motive—with its connected commercial culture—stands out as quite distinctive when matched with similarly business-oriented societies such as the West German or the Japanese. The fact remains, however, that in other industrialized democracies the economic role of the state has grown more rapidly than in the United States.

The combination of systemic uniqueness with unique wealth makes the United States an obvious target for emotional hostility and economic pressure. That pressure is likely to come not from cartels based on a single commodity (since the special circumstances of OPEC are hard to replicate) but from mixed political-economic alliances in which clusters of diverse states might attempt to combine their varying assets in order to press the United States in a particular direction. The inclination to try to do this is likely to be enhanced by the general politicalization of world economies. The proliferation of new states with weak private sectors has thrust many governments into external economic roles assumed elsewhere by private business.

The growing emphasis on national control of resources has caused widespread nationalizations of foreign assets, especially in the extractive areas. The need to provide some structure and stability to the management of global resources (be it commodity prices or the exploitation of deep-ocean resources) has prompted also the need for new international negotiations. The widespread feeling among the new nations that existing international arrangements perpetuate their economic disadvantage has caused the United Nations to undertake explicitly an examination of the need for a new "international economic order." All of that has had the effect of widening the role of governments in world economies. That in turn means that issues heretofore handled either by the private sector or through private-governmental negotiations, largely on the basis of business criteria, are tending to become injected with political content. The effect is to reinforce and in some cases to make dominant the role of political motives and of political criteria in international economic relations.

In that setting, structural change in the American way of doing things becomes inevitable. Resist as it might, the American system is compelled gradually to accommodate itself to this emerging international context, with the U.S. government called upon to negotiate, to guarantee, and, to some extent, to protect the various arrangements that have been contrived even by private business. The oil crisis also has had the effect of stimulating congressional pressures for the assertion of greater governmental control over the operations and practices of U.S. oil companies, including negotiations with oil-producing states. This, too, has served to enhance the role of the state. The economic role of the U.S. government thus continues to expand both for domestic and international reasons, and in the process the distinctiveness of capitalism in one country may become somewhat blurred. Nonetheless, it is quite clear that for a long time to come both fundamental philosophical as well as structural differences will continue to complicate the relationship between the changing world and America. In that context, America could easily slide into a siege mentality. Warning signals abound. The U.S. ambassador to the United Nations, much to national applause, began in 1975 to counterattack criticisms from the new nations in terms almost as sharp as those used in the early 1950s by another American ambassador to the United Nations, appointed then to forcefully rebut Soviet attacks.

The temptation to escape from a world which all of a sudden looked quite antipathetic was also derived from internal

changes in American society that had the effect of shattering the earlier consensus on foreign policy and of undermining American will to play a positive world role. That consensus has been reinforced by the presence of a relatively homogeneous foreign-affairs elite, which over the years provided to American society a broad sense of confidence and direction, by the internalization by the American public of a broad concept of world affairs into which even new phenomena could over some years be assimilated, and by the underlying values and priorities widely shared by most Americans. In brief, the earlier consensus was based on the WASP (White Anglo-Saxon Protestant) elite, on the cold war as the basic organizing principle and on the willingness of the public to assign higher priority to external obligations than to internal needs.

All of that had become the past by the mid-1970s, with profound change within America interacting confusingly with profound changes outside America. The appearance of new and more radical states, the spread of statism, the demand for a new international order did not fit the earlier cold war formulas, nor the traditional view of a world balance of power assuring a generation of peace (as propagated by Messrs. Nixon and Kissinger), nor the benign expectations of the more internationalist critics of power politics and of the advocates of peace through aid and development.

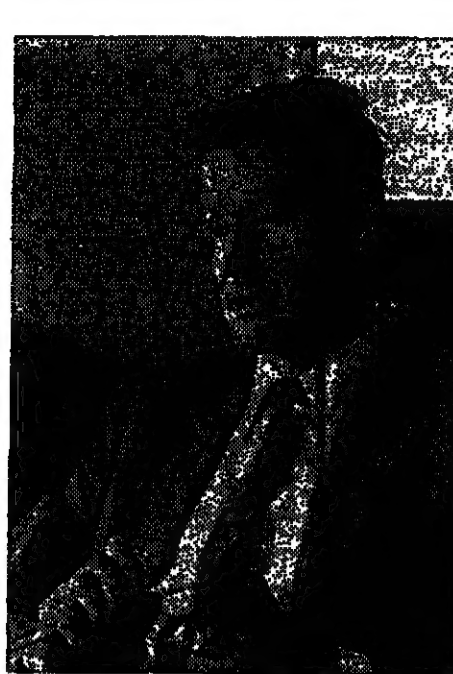
It is difficult to estimate how long it will take for America to absorb and internalize a reasonably coherent yet necessarily flexible conceptual understanding of the emerging new world. Leaving aside the intellectual complexity of the process of formulating propositions that can be simultaneously responsive to global complexity and yet susceptible to wider acceptance, the matter is complicated by the changes in the character of the contemporary American elite and in American values. The waning of the WASP-Eastern Seaboard-Ivy League-Wall Street foreign-affairs elite is a critically important aspect of that change. That elite, dominant in foreign affairs for more than half a century, provided the country with much of its leadership during America's thrust to world greatness, and that leadership was in turn based on shared values and solid institutional pillars of support.

These values—though they are elusive of precise definition—were a combination of the traditional Protestant ethic, of strong American patriotism, of a blend of "manifest destiny" with Wilsonian "internationalism," of Keynesian economic neoliberalism, all strongly conditioned by the failure of the 1930s to shape a system of collective security, in part because of American shyness. The strong sense of a special U.S. global responsibility, inherent in this blend, was in turn reinforced by the post-World War II Stalinist challenge. All this made on the public level for at least an indirect will to greatness, combining the elite's ambition to be the world's No. 1 power with the popular desire to be loved and with the general American belief in America's idealism. At the same time, the predominant WASP elite enjoyed the institutional backing of the internationally oriented Eastern business-banking community, with which it was in a rather symbiotic relationship, and it was also tied—often by close personal links—to the Protestant tradition and church. (Here, both Dulles and Acheson provide striking but by no means the only examples.)

The Vietnam war was the Waterloo of the WASP elite. But unlike Waterloo, a period of decay preceded the final battle, and hence it would be wrong to assume that the war by itself cracked WASP morale, motivation and monopoly of foreign affairs. Social change by the 1960s was bringing to the forefront of American society new groups, claiming for recognition and proper place. Among them stood out the Irish and the Jewish. Their rise on the social and philosophical plane coincided with the wider crisis of American culture, brought on—as I argued much more fully in "Between Two Ages"—by the unprecedented plunge of American society beyond the Industrial Age into a new post-industrial technocratic era, for which there was no prior philosophical or cultural preparation. The result was an upheaval in American values and culture, a crisis of confidence as well as sharpened ethnic cleavages. Of the latter, the racial aspect seized public attention, but the struggle to displace and to replace the WASP was no less significant, even if less visible. It was waged with great intensity—especially on the cultural-mass media front, where it soon became fashionable to denounce the WASPs in terms which, if applied to any other group, would have been considered ethnically or racially prejudiced.

The entrance into the presidency of Richard Nixon coincided with the breakdown of WASP domination of foreign affairs—as well as with the collapse of the earlier conceptual framework. It did not entail, however, the appearance of a new and equally homogeneous foreign-policy elite. Perhaps the most successful ethnic group—replacing the displaced WASPs—was now the Jewish (ably represented in key administration posts), but the dominant pattern was one of greater fluidity and heterogeneity. In that more flexible context both academia and the mass media—emerging to some extent as the functional successors to business and church—became the critical sources of authority, granting or withdrawing legitimacy as well as influencing policy.

Neither of these two groups was dominated by the WASPs, neither partook to the same extent of traditional WASP values, both were less committed to an enduring world view, and the latter was especially inclined—in part because of professional impulses—toward a more volatile and impressionistic attitude on world politics. Moreover, neither of these possessed the coherence of values nor the social confidence to generate sus-



Zbigniew Brzezinski

tained leadership. Academia was disillusioned and increasingly captivated by determinist pessimism; the national mass media were professionally skeptical while the struggle against presidential abuse of power encouraged more generally an adversary style in relationship to the government.

During the early 1970s, the resulting policy void was filled largely by Kissinger. His "spectacular" deflected debate from the more basic issues and gave the administration—at least for a while—a certain room for maneuver in the field of foreign affairs. However, it did so only for a while. The disintegration of the earlier consensus which accompanied the demise of the WASPs and the seclusive style and the manipulative character of Kissinger's stewardship had the effect of accelerating congressional entry into direct foreign policy-making. For much of the postwar era, Congress—led by a leadership that tended toward bipartisanship on foreign affairs—felt it understood and partook of the basic strategic objectives of U.S. foreign policy. On the basis of that shared strategic comprehension, it has prepared to grant U.S. policy makers considerable tactical flexibility. But in a setting in which Congress became increasingly suspicious that presidential decisions were essentially deceptive, and with the earlier consensus shattered by the Vietnam war, Congress became more inclined to intrude into tactical issues while debating the larger strategic matters.

The result was not only an executive-legislative conflict over a number of foreign-policy issues (be it Cyprus or Panama), but also—given the wider changes in American society—the increased intrusion of more fragmented concerns into policy debates. With the earlier consensus absent, with the WASP elite no longer personalizing and legitimating an asserted overall national interest, the Greeks could lobby more effectively—and with less danger of being accused of insensitivity to the national interest—on the Cyprus issue; the Jews could do so on the Israeli-Arab conflict and more generally on American policy toward the Middle East or the United Nations; Southerners could block change in U.S. policies toward Panama and derivatively toward Latin America.

This fragmentation of national motivation was accompanied by a broader shift in public attitudes toward foreign policy. Though public opinion polls are not a reliable indicator of enduring trends, though much depends both on the manner in which specific issues are posed and on the mood of the moment, and though the massive documentation that is available on U.S. public opinion attitudes on foreign affairs does not offer in all cases a consistent picture, enough of a pattern has emerged from a number of separate public opinion studies to warrant some important conclusions.

Eschewing detail, the polling data suggest that in the course of the last decade the U.S. public: (1) has downgraded U.S. foreign and defense priorities and upgraded domestic priorities to a point in which the latter predominated; (2) has become disinclined to support in a consistent fashion higher budgetary allocations for defense; (3) has become less inclined to view the Soviet Union and/or China as an imminent threat to U.S. interests; (4) has become generally more inclined to favor cuts or withdrawals of U.S. forces stationed abroad; (5) has become increasingly skeptical about the efficacy or desirability of foreign aid; (6) has become more critical of the United Nations and of the coalition of the Third and Fourth Worlds increasingly dominant in it; and (7) has even begun to favor less U.S. foreign trade. More generally and even more surprisingly, the American public has become increasingly willing to describe itself as isolationist (in response in 1974 to a Roper poll bearing on self-identification, 42 per cent of the respondents described themselves as internationalists and 37 per cent as isolationists) despite the negative connotations that over the years the term "isolationist" had acquired.

However, it would be wrong to conclude from the foregoing that a new isolationist consensus has finally taken shape. The data did not support the proposition that America was unambiguously turning inward. On some issues, such as foreign intervention, the public tended to be constant; in most cases against, but in the few favorable ones also occasionally in favor. The public also was also relatively constant in its willingness to provide supplies to friendly nations that have been attacked. More importantly, the public remained willing to back international

efforts on behalf of human rights, and to support (by a margin of 66 per cent as compared to 68 per cent in 1947) an "active part" by the United States in world affairs. Finally, polls showed a heightened recognition of the need for international cooperation in dealing with various new global problems (notably food, energy and inflation) and for closer cooperation among the advanced countries as well as recognition of the close linkage between developments abroad and future internal prospects for America. In brief, despite the sharpening cleavage within public opinion, isolationism was not the dominant mood.

A public opinion that is ambivalent but constructively malleable emerged from the surveys and it heightened the need for national leadership that was capable of defining politically and morally compelling directions to which the public might then positively respond.

But in the absence of such leadership there remains the real risk that drift could become a decisive trend.

The possibility that a secular and long-range trend is at work heightens—rather than lessens—the centrality of the leadership response in America and makes all the more dangerous appeals calculated to exploit American disenchantment with world affairs. In contemporary American attitudes there are the makings of xenophobia—but there is also the potential for constructive response. Powerful but paralyzed by the absence of will could be the American destiny if the leadership needed to translate that potential into reality fails to materialize.

Such a failure would be disastrous not only for America, but even more so for the world at large.

However, the capacity of America to act consistently and constructively is limited by the paradoxical nature of America's relationship to the changing world. It is an interactive relationship, in which the world is subjected socially to a process of Americanization even while America politically seems to be undergoing a process of Europeanization. While America impacts in a novel fashion on the rest of the world through its technology and mass culture, American politics appears to be becoming more fragmented doctrinally, with less consensus and more ideology, thus reviving on American soil some of the older right-left European battles. Global Americanization and American Europeanization make for a particularly uncertain blend, inhibiting the United States from applying constructively its unique global influence.

This is cause for concern because the American impact on the world remains, on the whole, positive; because American power, both political and economic, remains central; because the basic American message, some specific policies notwithstanding, continues to be relevant. America's turn inward—repelled by the tightness of the world around it and beset by internal ideological conflict—would create a vacuum that would be filled less by any single power, though that might be the result in some regions, and more simply by escalating chaos.

The American impact on the world should not be underestimated. For all its shortcomings, America remains the globally creative and innovative society. It impacts on the life-styles, mores, and aspirations of other societies to a degree not matched today by any other system. This is true of the world of academia, with the United States having emerged not only as the major source of learning but also as the most attractive magnet for foreign students, again to a degree that outdistances other nations by far; it has more recently become true of the artistic world, with New York City emerging as the global center for many of the arts; it is very true in the case of modern management techniques, with American business schools and management consulting firms pioneering new skills; it certainly has been the case with the women's liberation movement and with the ecological movement and even with the New Left; it is very much the case with mass leisure and culture, with American music, jeans, and social habits rapidly becoming the world norm.

As America plunges into the uncharted new technocratic age, increasingly dominated by electronics and technology, even its shortcomings become more broadly significant. Be it the drug culture or the setbacks in shaping more harmonious race relations, or the psychological problems of excessive permissiveness, the negative lessons of America acquire a wider significance and are closely scanned by others. In brief, contemporary America is the world's social laboratory. Its ferment, its new ideas, its experiments provide both stimulus and warnings.

Moreover, the overall impact of America is to stimulate change. Indeed, there is a paradox here in that American policies have seemed to be oriented against change whereas the broad social-political impact of America has been inherently anti-traditional and anti-authoritarian. Generally speaking, the American social impact and hence at least derivatively also political, has been to encourage more social experimentation, more institutional flexibility, more willingness to welcome rather than to oppose breaks with tradition. An inward-oriented America would gradually cease to perform that role.

American power remains similarly central to global stability and progress. Had these nations become more actively and constructively engaged in coping with global problems, the pressures on America and the American role would have been much reduced, and the prospects for an East-West accommodation with a more effectively contained Soviet Union greatly enhanced. Yet, 50 years after the end of the war, neither Europe nor Japan is prepared to play a major role—neither in

regard to the traditional nor in respect to new global problems. Admittedly, it did take timely procedural initiative in 1974-1975, especially in launching the called tripartite conference on common which brought together both the advanced and the developing nations, but the s of these conferences was again dependent largely on the American reaction.

Moreover, the economic dislocation fered by the advanced industrial societies, especially because of the higher oil exacted by OPEC, have undermined the social and political role of the United States—indeed, making the United States more pivotal than it has been for 20 years. Furthermore, despite the standstill resentment within the poorer of the world over a situation in which sixteenth of the world's population was summing one-third of the world's non-renewable resources, the global stake in American prosperity and higher production (hence consumption) was inducing by 1975 and more governments to put pressure on the United States to accelerate its own economic recovery from the ongoing recession. Nothing could be more illustrative of American centrality to global economic being than these calls for a higher American rate of growth.

More generally, the systemic role of America, both economically and politically, becomes that of the key states. It is especially the case with food, with United States having emerged as the source of global nutritional stability. It has clearly also been so with trade, monetary affairs, and regional security. When America falters, the world economy and the political equilibrium become unstable.

An America that ceased to project a structure sense of direction would hence tribute directly to major global economic and political disruptions.

Finally, the broad historical message America still retains much of its vitality provided it is not dogmatically tied to a single message of American exceptionalism. The basic message of the American experiment was the primacy of liberty. But inherent in that was also the centrality of pluralism. Personal liberty was best assured by a social that was pluralistic. On the global a pluralism means diversity and not a toward a homogeneous world based on single ideological model. That message mains valid and has become especially because of the appearance of some 150 sovereign nation-states. Moreover, the more specific proposals for global cooperation, it could serve as the point of departure for a relevant concept of a new and diversified international system.

All of that requires an America that cooperatively engaged in shaping new relations, both despite and because of rising global egalitarian passions. America should not forget that the external hostility is not generalized to the extent that applies to the American society as a whole. It is primarily a doctrinal rather than the national hostility, and even as such it still not be deeply rooted. America provides to most people in the world most attractive social condition (even in the model) and that remains America's special strength. The Soviet Union, even a rival in this respect. But strength can only be applied if America foreign policy is sympathetically sensitive to the significant shift in global emphasis toward a value which has not been central to the American experience. This need is to be a more genuine sense of egalitarianism as the supreme virtue, not its arbitrary application to a differentiated and much more open, less congested, and fairly more affluent American society. It does imply a policy that does not ignore reciprocal with doctrinal hostility the global pressures for reform of existing international arrangements. To reduce global complexity and the emerging gloom preoccupations to the simple dichotomy democracy (or freedom) versus despotism (or statism) is in fact to sever the libertarian linkage between America and the world; it is to reinforce radical passions abroad; it is to promote America's philosophical and hence also political isolation.

Finally, these broad-ranging considerations have also more immediate application. In the ongoing Conference on International Economic Cooperation, the United States has the opportunity to shape a policy toward the developing world that takes philosophical dimensions as well as political realities discussed earlier more into account—a position which the Europeans and even the Japanese have so far appear more willing to adopt. Moreover, in a foreseeable future the United States is facing difficult crises in parts of Africa and Latin America. There may also be political instability in Eastern Europe. The underlying premises that will guide the American attitude toward these issues may directly affect the ultimate capacity of the United States to respond in a manner which is in America's longer-range interest—a capacity which the United States to coalesce around itself the sympathy and support of the majority of mankind.

Nothing could be more destructive to the United States to position itself the ultimate shield of the remnants of white supremacy in Africa at a time when racial equality is coming to be accepted as an imperative norm. This would be all of Africa and much of Afro-Asia again. Similarly, American longer-range interests would be harmed by continued indifference to the mounting desire in Central America for greater social justice and national dignity, as our indifference to only make it easier for Castro's Cuba exploit that desire. Much of Latin America could be antagonized by any resulting cold. Finally, America would be under to its own initial values if it adopted cynical view regarding the Soviet relationship to those East European countries which either seek to enlarge or to protect the own national independence. The consequences of such a stance would be harmful to the United States in all of Europe and even in China.

Above all, it is vital to remember the ultimately it is only America that has the power to shape a hostile world for itself.

Excerpted with permission from Foreign Policy magazine, No. 21, Summer 1976 (c) 1976 by National Affairs Inc.



## Another Banner Year for Financial Markets

shortly before and after Mr. Car-

December 21, 1976



[illegible]



سیدنا ابن ابی جری

[illegible]



# New York Stock Exchange Weekly Bond Sa

Bonds	Last Price	Bonds	Last Price	Bonds	Last Price
Regtel 5593	80	TransF 77691	93 1/2	Walt.J 5740	
RochG 41277	89	TransF 81601	103	Walt.J 8080	
RochT 43494	75	TransGP 99486	105 1/4	War.C 8168	
Rocin 41631	78	Trvir 83795	103 3/4	War.L 8331	
Rocin 83356	75	TucSG 83681	97	Wean 5168	
Rocin 76767	74 1/2	TucS 74681	93	Wean 5168	

[illegible][illegible]

XCBr 87.85	106%	Finance	59.23	57.58	59.23
XCST 77.86	102%	Composite	57.88	56.60	57.88
Xind 74.92	80				
Xpfi 44.96	40%				
Xpne 72.86	105				

**Standard & Poor's**

[illegible]

53%	81½	83¾	+ ¼	Apr. 7	PHARMACEUTICALS	4.40	4.32
80%	28%	30¾	+ 1	Apr. 14	RECREATION	4.13	4.04
137%	12%	13¾	+ ½	Apr. 21	ARMED & ARMED	4.15	4.06
7%	7	7½	+ ½	Apr. 28	GOVERNMENT	4.17	4.08

[illegible][illegible]

\_\_\_\_\_

1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 2679, 26

1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 26



# Economic Scene

changes in currency values than anticipated.

"We thought then," said the senior vice-president of a major international bank, "that major adjustments had already been made. But we were terribly wrong. The market was far from stable."

"The American dollar, on a trade-weighted basis, has undergone very little change overall in the last year. It has improved against the Canadian dollar, the British pound, but it has lost ground against the German mark. Overall, the change for the dollar has probably been less than 1 per cent on a trade-weighted basis."

## U.S. Revises Upward Data on New Orders

WASHINGTON, Jan. 2 (Reuters)—The Commerce Department has announced significant upward revisions in new orders statistics due to changes in compilation methods.

September new orders are now calculated at \$89.8 billion (up from \$88.5 billion previously), shipments at \$98.8 billion (\$95.5 billion) and unfilled orders at \$170.5 billion (\$161.5 billion).

# Euromarket

(Continued from Page 7)

conditions on the dollar loan. By accepting a fully underwritten proposal, ICI escaped the vagaries of market conditions. In this case, however, it would appear that the bank got the better deal as ICI is paying one-quarter point more than SKY for the same average life of which is only one year longer. Admittedly, the larger size of the ICI issue would make placing it more difficult, but under the actual market conditions this is not a problem.

Although U.K. names are not actively sought after, ICI won the coveted triple-A rating on a recent U.S. issue from one agency and a double-A from another.

## Rare Role

It is also interesting to note that Warburg accepted the role as "joint lead manager" as a rare role rarely used by major banks. In the brochure of last year's Australia deal, Morgan Stanley, which traditionally managed loans for the government, refused to accept any role in the loan managed by Deutsche Bank.

The only other dollar issue on offer is a \$40-million, floating-rate loan for Banque Nationale

# U.S. Unit Says Solar Heating Competitive With Electricity

By Edward Cowan

WASHINGTON, Jan. 2 (NYT).—The Energy Research and Development Administration has reported that solar heating can now compete economically with electricity in the heating of one-family houses in at least 13 cities.

In the government's most comprehensive analysis of the economics of the heating of houses with sunshine, the energy agency also found that solar heat could not compete economically with heating by oil or natural gas.

## Yields on International Issues

(7-15 years)

Dec. 29: 8.25%; Dec. 22: 8.25%

(15-20 years)

Dec. 29: 8.05%; Dec. 22: 8.22%

(20-25 years)

Dec. 29: 6.85%; Dec. 22: 6.77%

# Amex Nationwide Trading Closing Prices Dec. 31

Stocks and Bonds	High	Low	Open	Close	Change
1-10% U.S. Gov. Bonds	101.15	101.10	101.12	101.10	-.02
11-15% U.S. Gov. Bonds	101.15	101.10	101.12	101.10	-.02
16-20% U.S. Gov. Bonds	101.15	101.10	101.12	101.10	-.02
21-25% U.S. Gov. Bonds	101.15	101.10	101.12	101.10	-.02
26-30% U.S. Gov. Bonds	101.15	101.10	101.12	101.10	-.02
31-35% U.S. Gov. Bonds	101.15	101.10	101.12	101.10	-.02
36-40% U.S. Gov. Bonds	101.15	101.10	101.12	101.10	-.02
41-45% U.S. Gov. Bonds	101.15	101.10	101.12	101.10	-.02
46-50% U.S. Gov. Bonds	101.15	101.10	101.12	101.10	-.02
51-55% U.S. Gov. Bonds	101.15	101.10	101.12	101.10	-.02
56-60% U.S. Gov. Bonds	101.15	101.10	101.12	101.10	-.02
61-65% U.S. Gov. Bonds	101.15	101.10	101.12	101.10	-.02
66-70% U.S. Gov. Bonds	101.15	101.10	101.12	101.10	-.02
71-75% U.S. Gov. Bonds	101.15	101.10	101.12	101.10	-.02
76-80% U.S. Gov. Bonds	101.15	101.10	101.12	101.10	-.02
81-85% U.S. Gov. Bonds	101.15	101.10	101.12	101.10	-.02
86-90% U.S. Gov. Bonds	101.15	101.10	101.12	101.10	-.02
91-95% U.S. Gov. Bonds	101.15	101.10	101.12	101.10	-.02
96-100% U.S. Gov. Bonds	101.15	101.10	101.12	101.10	-.02
1-10% Foreign Bonds	101.15	101.10	101.12	101.10	-.02
11-15% Foreign Bonds	101.15	101.10	101.12	101.10	-.02
16-20% Foreign Bonds	101.15	101.10	101.12	101.10	-.02
21-25% Foreign Bonds	101.15	101.10	101.12	101.10	-.02
26-30% Foreign Bonds	101.15	101.10	101.12	101.10	-.02
31-35% Foreign Bonds	101.15	101.10	101.12	101.10	-.02
36-40% Foreign Bonds	101.15	101.10	101.12	101.10	-.02
41-45% Foreign Bonds	101.15	101.10	101.12	101.10	-.02
46-50% Foreign Bonds	101.15	101.10	101.12	101.10	-.02
51-55% Foreign Bonds	101.15	101.10	101.12	101.10	-.02
56-60% Foreign Bonds	101.15	101.10	101.12	101.10	-.02
61-65% Foreign Bonds	101.15	101.10	101.12	101.10	-.02
66-70% Foreign Bonds	101.15	101.10	101.12	101.10	-.02
71-75% Foreign Bonds	101.15	101.10	101.12	101.10	-.02
76-80% Foreign Bonds	101.15	101.10	101.12	101.10	-.02
81-85% Foreign Bonds	101.15	101.10	101.12	101.10	-.02
86-90% Foreign Bonds	101.15	101.10	101.12	101.10	-.02
91-95% Foreign Bonds	101.15	101.10	101.12	101.10	-.02
96-100% Foreign Bonds	101.15	101.10	101.12	101.10	-.02
1-10% Stocks	101.15	101.10	101.12	101.10	-.02
11-15% Stocks	101.15	101.10	101.12	101.10	-.02
16-20% Stocks	101.15	101.10	101.12	101.10	-.02
21-25% Stocks	101.15	101.10	101.12	101.10	-.02
26-30% Stocks	101.15	101.10	101.12	101.10	-.02
31-35% Stocks	101.15	101.10	101.12	101.10	-.02
36-40% Stocks	101.15	101.10	101.12	101.10	-.02
41-45% Stocks	101.15	101.10	101.12	101.10	-.02
46-50% Stocks	101.15	101.10	101.12	101.10	-.02
51-55% Stocks	101.15	101.10	101.12	101.10	-.02
56-60% Stocks	101.15	101.10	101.12	101.10	-.02
61-65% Stocks	101.15	101.10	101.12	101.10	-.02
66-70% Stocks	101.15	101.10	101.12	101.10	-.02
71-75% Stocks	101.15	101.10	101.12	101.10	-.02
76-80% Stocks	101.15	101.10	101.12	101.10	-.02
81-85% Stocks	101.15	101.10	101.12	101.10	-.02
86-90% Stocks	101.15	101.10	101.12	101.10	-.02
91-95% Stocks	101.15	101.10	101.12	101.10	-.02
96-100% Stocks	101.15	101.10	101.12	101.10	-.02



## CROSSWORD — Edited by Will Weng

1	2	3	4		5	6	7	8	9		10	11	12	13
14					15						16			
17					18						19			
20									21					
			22					23						
24	25	26					27				28	29	30	
31						32					33			
34					35					36				
37					38					39				
40					41				42					
			43					44						
45	46	47					48				49	50	51	
52							53							
54						55					56			
57						58					59			

ACROSS		43 Kind of spaniel	13 Egg on
1 Aida series	43 "It's — to tell . . ."	18 Prawn dish	19 Verve
5 Delicious	44 Hemingway	23 Upright	24 "The prize we sought —"
10 Verboten	45 Urban enclave	25 Touché	26 Southeast wind
14 Relative of curare	48 At an unknown date	27 Dinamora	28 Soprano Alma
16 Academy rookie	52 Sajan's work	29 Give a false impression	30 Flub a paint job
18 Sharif	53 Restaurant owner	32 Naah	33 N.E.A. members
20 Minutes	56 Branch, in Avila	34 County-wide	35 Rian off
22 Formal wear	57 Actress Patricia	36 Italian wine city	42 City on the Delaware
23 Frat candidate	58 Weighted down	43 To any extent	44 Puerto Rican port
25 Writing To perch	59 Use the scissors	45 Secluded valley	46 "To — and to hild"
27 Gouda's relative		47 Silkworm	48 Fort —
28 Shaped gliders		49 Bahai's realm	50 Miss Bensell
29 "— go bragh"		51 Fabulist; Var.	53 High note
36 Literary monogram	DOWN		
31 Imbibe nodulity	1 After-dinner item		
32 Hussahs for toreros	2 Celebes ox		
33 Basic: Abbr.	3 Bristle: Prefix		
34 Hours	4 Parts of footprints		
37 Surden	5 Animal tracks		
38 Wine entrance	6 African grasses		
39 Lady of Laxmerrmoor	7 Plant fuel		
	8 Sig-Board monogram		
40 Metallic elements: Abbr.	9 Kind of apple pie		
41 To — ('precisely)	10 Thingt symbol		
	11 In the center		
	12 Drum sound		

# WEATHER

	C	F		C	F			
ALABAMA	14	57	Clear	MADRID	10	29	Showers	
ALASKA	10	57	Cloudy	MILAN	.....	13	28	Overcast
ALBANY	11	54	Cloudy	MOSCOW	.....	14	7	Clear
ALBUQUERQUE	11	53	Cloudy	MUNICH	.....	6	24	Rain
ALBUQUERQUE	12	63	Cloudy	NEW YORK	.....	11	32	Cloudy
ALBUQUERQUE	3	57	Fog	NICE	.....	11	22	Cloudy
ALBUQUERQUE	4	59	Cloudy	PARIS	.....	5	24	Rain
ALBUQUERQUE	4	59	Cloudy	PERMUT	.....	7	41	Cloudy
ALBUQUERQUE	2	56	Cloudy	PRAGUE	.....	10	28	Overcast
ALBUQUERQUE	17	63	Cloudy	ROME	.....	15	58	Variable
ALBUQUERQUE	17	63	Rain	SOBOTA	.....	0	23	Overcast
ALBUQUERQUE	17	63	Overcast	ST. LOUIS	.....	10	30	Cloudy
DUBLIN	1	54	Cloudy	TEHRAN	.....	5	41	Snow
DUNEDIN	2	50	Clear	TEL AVIV	.....	18	64	Variable
EL PASO	4	59	Cloudy	TOKYO	.....	17	63	Variable
EL PASO	4	59	Rain	VICTORIA	.....	10	30	Cloudy
EL PASO	7	45	Rain	WARSAW	.....	3	56	Cloudy
EL PASO	4	55	Snow	WASHINGTON	.....	0	31	Clear
EL PASO	4	55	Fog	WATSON	.....	0	42	Clear
EL PASO	28	68	Clear					
EL PASO	18	63	Cloudy					
EL PASO	11	52	Cloudy					

(Yesterday's readings: U.S. Capitals at 1700 GMT. others at 1200 GMT.)

## Mutual Funds

[illegible]

# PEANUTS



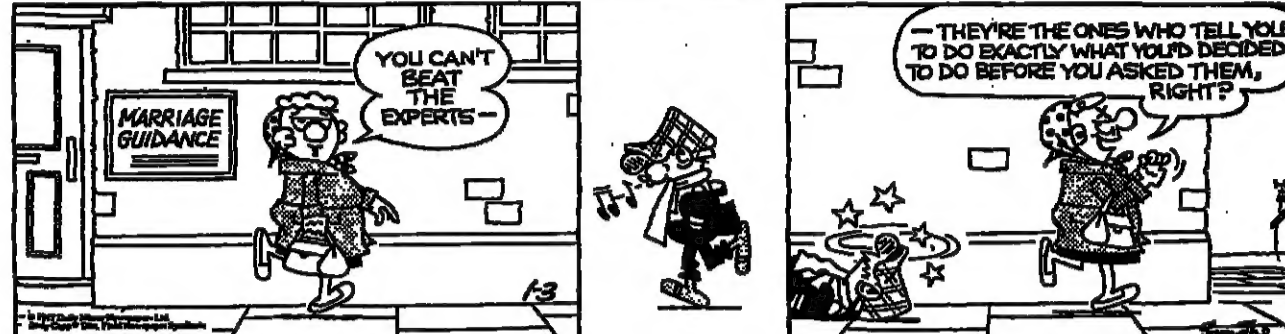
**B.  
C.**



**BEE-TLE  
BAILLY**



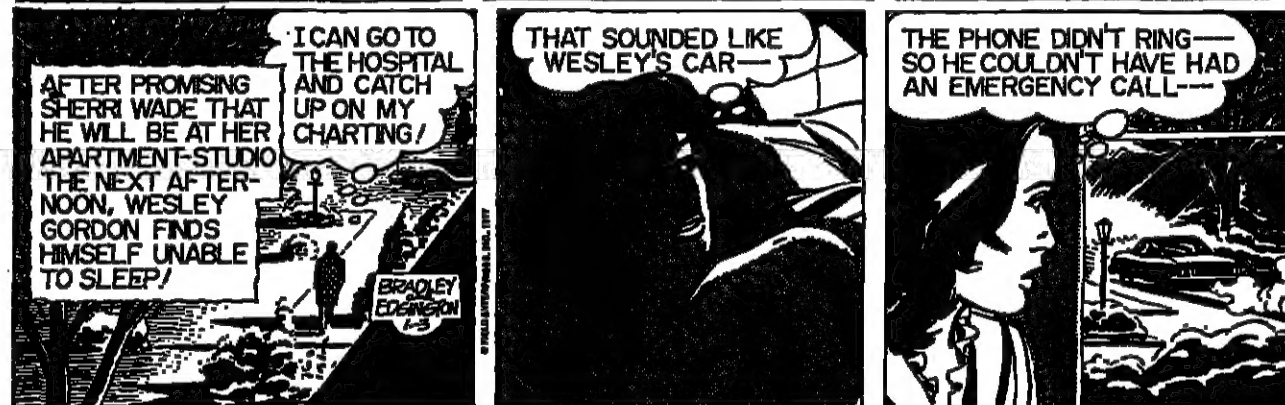
**ANDY CAPP**



**R  
E  
X  
  
M  
O  
R  
G  
A  
N  
  
M  
D**



## M.D.



**RIP  
KIRBY**



# JUMBLE



## DENNIS THE MENACE



## BOOKS

**PLUS**

*By Joseph McElroy. Knopf. 215 pp. Hardcover \$8.95. paper*

Reviewed by Christopher Lehmann-Haupt

It's reassuring to read on the copyright page of Joseph McElroy's fifth and latest novel, "Plus," that the author is indebted to three books in particular: Albert L. Lehninger, "Bioenergetics: The Molecular Basis of Biological Energy Transformations"; Charles R. Noback, "The Human Nervous System"; Paul Weiss, "Principles of Development." This suggests that although much of "Plus" is confusing the first time through, repeated reading might transform its seeming nonsense into sense. It implies that McElroy had some coherent picture or other in mind when he wrote every single sentence of this eerie experiment in science-fiction and that passages such as this one—"Where once there had been four windings or faldoreams or shearows or morphogens, division had massed many and many a time, and many until they yield their specific meaning. It even admits the chance that "Plus" is a work of some sort of genius: Just think if its most stupefying passages are grounded in the facts of bioenergetic, or brain physiology. One simply can't tell from a single reading. I guess it's possible.

Not that "Plus," in a single reading, passes completely beyond a reader's ken. The elements of his story are discernible, a mosaic of knowledge gathered from its cranium, encased in a capsule, wired to some plant life and shot into earth orbit to measure and transmit information about the process of photosynthesis. We follow this experience from the point of view of the brain, which is called DMP Plus for Interplanetary Monitoring, Platform Plus, and which communicates via a congealer to the earth. DMP Plus calls the acid voice and the good voice.

Starting with the barest rudiments of consciousness—"he found it all around," reads the first sentence of the novel. "It opened and was closed. He felt it was himself, but felt it was more"—DMP Plus painfully rediscovers,

[illegible]

or re-invents, vocabulary, is tense, time, desire, will—thought. And as he does becomes that he thought as covers that he can "think" own growth.

What's more, this rudimentary story conveys a sufficient of drama—suspense to even the befuddled reader's its most fearfully impetuous sages. Obviously, a brain, its body—thought independent neuro-muscular form—rather interesting plot possibilities to speak of a hornet's epistemological conundrum—ing eyes, can the brain "seeing" in another sense to speak of a hornet's chemical analogy, what will chemistry produce in the of nerves, muscles, and whatever the actual answers such questions may be, has invented a plausible set of happenings. So a races ahead to learn where Phiz will finally become.

Struck on, the passages of struggle through the maelstrom of discrimination he overcame. It is a little hard to follow the directions constructing a diabolically plicated children's toy, you lack the pieces of it, and the instructions have been mistranslated from the Japanese.

"TMP Flus was ready these insides containing the flow. From outside his he looked into it through a amber flesh, through oxides of sodium cyte, through platinum-fired it of glue cells, even to the of that cold gland of flame and sometimes these p... even be unlovely and tonnes.

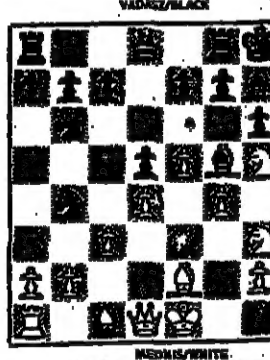
But it's possible that it all sense. It's possible that sufficient patience the reader discover here an animated counterpart to those magnified photographs of a man interior that Life magazine used to feature—or, failing a perfect vocabulary and imitating thought becoming gy, producing growth of before-imagined physical.

It's possible that with McKroy has advanced once along the highly independent, experimental path of "writing for himself with a writer's Bible," Elmd's "Ancient History" and "Cartridge"—all stunningly plex, occasionally brilliant attempts to envision reality. But after a single reading "Flus," one can't be certain remains only a possibility.

**Christopher Lehmann-Haupt**

# CHESS

**—By Robert B.**



**M**Y idea of his perfect brilliancy-prize game is one that contains a surprising and profound heavy sacrifice of material leading to a tremendous mating attack. The sacrifice must not be technical—mating in a constricted series of moves to a flat decision—but should, rather, exhibit the imagination of long-range speculation.

What I have in mind is exemplified by the game between International Master Edmar Mednis of Queens and László Vadasz, a new Hungarian grandmaster, from the Budapest International Tournament. Vadasz tied for first place with Razmír Kholov of the Soviet Union, losing only to

Against the sharp 6... Nf3

preparing 7...P-B4, when 8 PxP is to be answered by 8...NxP6. Mednis's 7 P-K5 is the only move that holds out prospects of seizing the initiative. Vadas's 7...N-Q2, allowing the center to remain fluid and again looking toward 8...P-QB4, is also Black's most ambitious way of treating it: opening.

After Mednis's 8 N-K4, however, Black s'ould perhaps still have gone through with 8...P-QB4 without fearing 9 P-E5, PxP6: 10 N4-N-3, R-B3, since it would

not have been clear at that point what White was achieving. Instead, Vachas reflected rapid piece development with ...N-N5, g...N-N3 and 10...B-B4; perhaps he was anticipating playing the adventurous position resulting from 11 N3-N5, P-Q4: 12 PxN, PxN; 13 P-N4, P-KB3; 14 PxP, PxN. Mehm came up with a marvelous rook sacrifice—12 N-N31, N-B7 ch; 13 K-E2, N-N2; 14 N-E2, N-B7 ch; slightly better than black kingside pawn formation the basis for a controlling mating attack.

After Mehm's 15 B-Q3, the depth of his conception would have shown up best against the defense 15...P-N3; 16 P-KN4, P-KB3; 17 P...P-K3; 18 P-B1, B-P; 19 Q-R5, B-K1; 20 P-N1.

Eric N.

White Medians	Black Vadases
1 P-K4	P-Q3
2 P-Q4	N-KB3
3 N-QB3	P-KN3
4 P-B4	B-N2
5 N-B3	O-O
6 B-Q3	N-R3
7 Q-K5	N-Q2
8 N-K4	N-N5
9 B-K2	N-N3
10 P-B3	B-B4
11 N-3-N5	P-Q4
12 N-N3	N-B7ch
13 K-B2	N-KR
14 N-K2	P-N
15 B-Q3	P-KR2
16 BxP	P-K3

B-N2; 21 K-K21, R-K2, 22  
K-B1; 23 P-N6, K-P1; 24  
K-Q2, 25 R-R, R-K2; 26  
Q-B1; 27 P-KR4, after  
White could not have been  
vented from winning the  
Another Hopeless Option  
In this same line, Mednis  
analyzed 17... PxP; 18  
PxN; 19, BxP, R-K1; 20  
P-B3 (here 20... R-K3; 21 Q  
K-B1; 22 RxP, R-N3; 23  
PxR; 24 RxP, Q-K2; 25 P  
equally hopeless. Black  
P-K6, Q-K3; 22 PxP, N-B  
PxP, QxP; 23 R-R7ch, K-B  
R-R3, QxR; 24 B-R8, with a  
mate.

Against Vajns's 15... P

Medina threw another pile  
the pile with 18 P-K1, the  
being that 16... P-K1; 17  
R-K1; 18 P-K1; 19 B-B  
K-R1; 20 B-N6ch, K-N1; 21  
K-N1; 22 P-R7 sets up 23  
mate.

After Medina's 18 B-N1, 1,  
ending 19 Q-Q3, followed by  
the only reasonable way to  
time was 18... Q-K3; 19  
P-K1; 20 P-KP6, B-K1; 21  
B-K1. The game drew pawns for  
the black knight at  
Medina could escape by 21 N-K  
the black king's exposure in  
Medina's victory.

Vadask's 13... P-K6,  
back all material with in  
and, although he played  
move, 31, his resignation v  
foregone conclusion.

White Mednis	Black Vadans
17 B-W7ch	K-R1
18 B-N1	P-KB4
19 NxP	Q-K2
20 NxR	R-KN
21 B-Q3	P-B4
22 B-K3	PxP
23 PxP	N-B5
24 QxN	NxR
25 R-KN	P-N4
26 Q-Q1	P-R3
27 P-KN3	Q-KB1
28 B-Q2	P-KR4
29 B-QE1	P-R5
30 Q-K2	PxP
31 PxP	Resigne



# Pitt, Dorsett Are Best; USC Wins Roses

## 202 Yards for Star In Sugar Bowl Rout

By Gordon S. White Jr.

NEW ORLEANS, Jan. 2 (UPI)—The University of Pittsburgh laid claim to the national college football championship yesterday after the undefeated and untied Panthers completely dominated the 43rd Sugar Bowl game to trounce Georgia, 27-3, in the Superdome. This served as a grand finale to the four-year Pittsburgh careers of Tony Dorsett, the greatest running back in modern college football history, and Johnny Majors, the map who coached the Panthers from near oblivion to the No. 1 ranking. Dorsett became the first player to gain 200 yards in a Sugar Bowl game as he picked up 202 in 32 carries, scored a touchdown and established a career rushing record of 3,226 yards running from scrimmage in four varsity seasons. Majors became the University of Tennessee's head football coach today, where he starts building again in hopes of doing for the Vols what he did for the Panthers.

But it was the early work of Matt Cavanaugh, Pitt's excellent junior option quarterback, that set the stage for a surprisingly one-sided victory over the Southeastern Conference champion Bulldogs. Also, the Pitt defense controlled Georgia's offense throughout so that coach Vince Dooley's team never really had a chance after Cavanaugh scored the first touchdown on a six-yard keeper.

Cavanaugh was voted the outstanding player award for this game, beating out Dorsett by one vote on journalists' voting. The quarterback hit 10 of 18 passes for 122 yards, scored a touchdown, passed for a touchdown and generally carried out the offensive game plan to near perfection.

Dooley, whose Georgia team lost only once in the regular season, said, "My hat is off to Pittsburgh. They proved today they are the best in the country. They are the best defensive team we've faced. They are also the best offensive team we've faced and I think Dorsett is faster than the last two times we played against them."

Dorsett began his varsity career by rushing for 101 yards in a 7-7 tie with Georgia in 1973. Pitt beat Georgia, 19-9, in the 1975 season opener as Dorsett gained 104 yards.

As Dooley indicated, those performances were nothing compared to yesterday's big game that gave Dorsett 2,150 yards for this season and 63 touchdowns in four years. These figures include three bowl games for Pitt and Dorsett in his career. Only 17 regular-season games count toward national college records, and Dorsett has 18 such records, including 5,093 yards rushing in a career, 1,548 in a season and 59 touchdowns.

Cavanaugh set the tone of yesterday's game on Pitt's second possession, to the delight of the Panther fans in the capacity crowd of 76,117. He took his team

## Passing Game Beats Michigan in 2d Half

By Bob Oates

PASADENA, Calif., Jan. 2.—With a well-designed pass offense and a sharpshooter named Vince Evans throwing strikes, the University of Southern California won its 11th straight game yesterday, upsetting Michigan, 14-6, before 106,182 fans to win the Rose Bowl. Two of the better defensive teams in the recent history of the Tournament of Roses threatened for a while to make it a strictly defensive carnage, but Evans, the veteran Trojan quarterback, wouldn't have that. Throwing with the poise and accuracy of an old pro, he led USC on touchdown marches of 80 and 58 yards and broke up a 7-6 fight in the fourth quarter with the passes that finally put Michigan away. Going into the

### Bowl Roundup

#### ROSE

USC 14, Michigan 6

#### SUGAR

Pittsburgh 27, Georgia 3

#### ASTRO-BLUEBONNET

Nebraska 27, Colorado 24

#### PEACH

Kentucky 21, N. Carolina 0

#### ORANGE

Ohio State 27, Colorado 10

#### COTTON

Houston 30, Maryland 21

80 yards in 12 plays and scored the first touchdown himself.

Carson Long, the national collegiate record-holder for scoring by kicks in a career, booted the extra point and finished the game with two more conversions and two field goals of 42 and 31 yards.

Cavanaugh and Gordon Jones, the excellent junior wide receiver, combined for a 59-yard touchdown pass at 6:27 of the second period for a 14-0 lead.

A few minutes later, Dorsett scored on an 11-yard run around right end to make the score 21-0. In the third period Dorsett had a 97-yard run that set up Long's first field goal.

Obviously, Dorsett, the winner of the 1976 Heisman Trophy, and his mates were not hampered by Major's decision last month to take the Tennessee job. Dorsett said, "He is not a villain. Every one knows what he wants to do and why. Pitt was down, and Tennessee is down now."

### Monzon to South Africa

JOHANNESBURG, Jan. 2 (UPI)—World middleweight boxing champion Carlos Monzon of Argentina has agreed to defend his title against Edith (Tap-Tap) Makahini in South Africa.

Monzon, a black, beat Jan. 1, South Africa's white middleweight champion, last month to become the country's overall champion.

### NBA Standings

#### EASTERN CONFERENCE

##### Atlantic Division

Philadelphia 12 14 345 1/2

N.Y. Knicks 11 15 345 1/2

Boston 10 16 331 1

B.K. Nets 9 17 324 6 1/2

##### Central Division

Houston 12 13 413

Cleveland 10 15 388 1/2

San Antonio 10 15 388 1/2

New Orleans 10 15 388 1/2

Washington 10 15 388 1/2

Atlanta 9 16 374 1/2

##### Western Conference

##### Pacific Division

Portland 12 13 387

Los Angeles 12 13 387

Golden State 12 13 387

Seattle 12 13 387

Phoenix 12 13 387

##### Midwest Division

Denver 12 13 387

Detroit 12 13 387

San Diego 12 13 387

Indiana 12 13 387

Chicago 12 13 387

Milwaukee 12 13 387

Portland 12 13 387

Los Angeles 12 13 387

Golden State 12 13 387

Seattle 12 13 387

Phoenix 12 13 387

Portland 12 13 387

Los Angeles 12 13 387

Golden State 12 13 387

Seattle 12 13 387

Phoenix 12 13 387

### Moscow Tops U.S. Colle

MADISON, Wis., Jan. 2 (UPI)—Moscow Spartak beat the University of Wisconsin's hockey team, 2-1, Friday night on a goal by Valentin Gurevich at 4:44 in the exhibition match.



AHEAD OF THE PACK—USC's quarterback Vince Evans runs for second-quarter touchdown on a keeper play against Michigan State in Rose Bowl. Southern Cal. won.

## Cup Giant Slalom Belongs to Hemmi Family

EBNAT-KAPPEL, Switz., Jan. 2 (Reuters)—Swiss brothers Heini and Christian Hemmi made a family outing of the men's World Cup giant slalom here today, easily taking the top two places on a difficult course.

Heini, 27-year-old Olympic champion, led from the first leg to score his second victory in three giant slaloms this season. He finished more than two seconds ahead of Christian, 22.

Italy's five-times World Cup holder Gustavo Thoeni set the fastest time on the second leg, but had been more than three seconds on the first run and finished third overall.

Phil Mahre of the United States, winner of the Val d'Isere giant slalom, appeared a strong contender after ending today's first run only a sixth of a second behind the Olympic champion.

But he crashed out of the race at the top of the second run. He finished more than two seconds ahead of Christian, 22.

Heini Hemmi won in an aggregate time of 3 minutes 13.38 seconds; Christian posted 3:13.39.

The American got a ski hooked at a gate, however, and fell.

Italy's Piero Gros finished fifth to remain World Cup leader with 59 points, followed by Heini Hemmi, 53, and Franz Klammer, Austria, with 50.

## Notre Dame's Bid to Reach Top Is Halted by Kentucky

NEW YORK, Jan. 2 (UPI)—Notre Dame appeared to be Michigan's heir apparent to the No. 1 ranking in College Basketball after the Wolverines were upset by Providence earlier in the week. But the Irish fell from the top with a resounding thud Thursday night.

Seventh-ranked Kentucky overwhelmed the Irish, 102-78, to hand Notre Dame its first loss of the season.

Jack Givens led the Kentucky assault by connecting on 15 of 19 shots for 30 points. Freshman Jay Shidler, whose outside shooting has remedied the Wildcats' major deficiency of last season, added 10 points to Kentucky's long-range attack in his first game since being suspended for two contests.

The Wildcats, also capitalizing on a strong inside game, got 18 points from Rick Robey and 15 from Mike Phillips, who also had been suspended for two games.

It was the Irish's first loss in eight games after beating Maryland and UCLA on the road. Kentucky has lost only to Utah.

San Francisco, ranked third and the apparent favorite for the No. 1 berth in next week's ratings, won the Rainbow Classic by beating Houston, 86-51.

## College Basketball Scores

THURSDAY Tournaments	
CHARLOTTE INVITATIONAL (Championship)	N.C. Charlotte 104, New Hampshire 84
(Consolation)	Davidson 70, Brown 64
EVANSVILLE INVITATIONAL (Championship)	Evansville 80, C. Michigan 64
(Consolation)	Loyola (Ill.) 71, Air Force 58
GATOR BOWL (Championship)	Florida 101, Holy Cross 85
(Consolation)	Jacksonville 85, Michigan St. 63
LOBO CLASSIC (Championship)	New Mexico 77, Southern Cal 75
(Consolation)	Town 101, Pittsburgh 80
METRA CLASSIC (Championship)	Idaho St. 68, Wyoming 63
(Consolation)	Eastern Montana 73, Fresno St. 71
FORBEC CUP (Championship)	New Orleans 84, Texas Tech 75
(Consolation)	Glenn 75, Denver 76

NHL Standings	
CAMPBELL CONFERENCE	
Patrick Division	
Philadelphia	23 7 5 54 122 97
N.Y. Islanders	22 8 5 49 128 89
Atlanta	18 12 5 43 115
N.Y. Rangers	15 15 10 45 135
Smythe Division	
St. Louis	18 17 5 57 120 123
San Jose	18 16 5 50 120 110
Chicago	11 20 5 35 108 109
Los Angeles	9 22 5 34 101 123
Minnesota	21 5 23 105 155
WATSON CONFERENCE	
Norris Division	
Montreal	27 5 6 80 179 86
Pittsburgh	18 16 6 58 123 130
Vancouver	22 12 5 43 115
Detroit	13 20 4 34 109 133
Washington	10 23 4 34 99 151
Adams Division	
Buffalo	24 9 3 51 120 88
San Jose	22 12 5 43 115
Toronto	18 15 6 43 145 127
Cleveland	11 22 7 39 114 144
Thursday's Games	
Philadelphia 3, Los Angeles 0 (Clarke, Dupont); Goalie Wayne Stephenson gets his first shutout of season.	
Minnesota 5, Montreal 5 (Hicks 2, Taylorson; Jensen 2; Lafleur; Clarke; Biele 2; Riechardt); "Red" Elmer's second goal with 58 seconds left earns tie for Stars.	
Friday's Games	
Atlanta 4, N.Y. Rangers 3 (Clement, Stuppan; Lysek; Houston; Dillon, McKechnie; Smith; Mericle);	
Detroit 4, Cleveland 2 (Libelt, Bessell; Polonich; McKechnie; Smith; Mericle);	
Chicago 2, Colorado 2 (Koroll, Harrison; Aronson; Patek);	
Saturday's Games	
Pittsburgh 8, Buffalo 3 (Schuch, Appa; Pronovost; Malone 2; Kehoe; Korab 2; Hall);	
Philadelphia 7, Cleveland 2 (Leach, Holmberg; Doroshenko 2; Lonsberry; Macleish 2; Patrick; Girard); Flyers extend unbeaten streak to 20.	
Vancouver 5, N.Y. Islanders 1 (Graves, Sligh, Lalonde, Wiley, Kearsy; Baur);	
St. Louis 3, Minnesota 1 (Larose, Irvine, Sanderson; Roberts);	
Toronto 3, Washington 1 (Thompson, Ashby, McDonald; Lalonde);	
Los Angeles 5, Boston 2 (Carr, Wilson; Wilson; Koenigsmeyer; Berry; Schmalz; Marcotte);	

Tournaments	
FULLSBURY CLASSIC (Championship)	Minnesota 102, Montana 81
(Consolation)	Boston College 74, Cornell 54
NON TOURNAMENTS	Marquette 65, Northwestern 53
Friday	
St. Francis 84, Iowa 62	West
Montana 81, Boston College 73	Minnesota 84, Cornell 54
Marshall 82, Notre Dame 78	Marshall 82, Notre Dame 78
Marquette 65, Northwestern 53	Marquette 65, Northwestern 53

Tournaments	
FULLSBURY CLASSIC (Championship)	Minnesota 102, Montana 81
(Consolation)	Boston College 74, Cornell 54
NON TOURNAMENTS	Marquette 65, Northwestern 53

Tournaments	
FULLSBURY CLASSIC (Championship)	Minnesota 102, Montana 81
(Consolation)	Boston College 74, Cornell 54
NON TOURNAMENTS	Marquette 65, Northwestern 53

Tournaments	
FULLSBURY CLASSIC (Championship)	Minnesota 102, Montana 81
(Consolation)	Boston College 74, Cornell 54
NON TOURNAMENTS	Marquette 65, Northwestern 53

Tournaments	
FULLSBURY CLASSIC (Championship)	Minnesota 102, Montana 81
(Consolation)	Boston College 74, Cornell 54
NON TOURNAMENTS	Marquette 65, Northwestern 53



Lehmann-Haus. Tony Dorsett flashes No. 1 sign after victory.

## Cotton Bowl Nightmare Ends Maryland Hopes

By Mark Asher

L.A.S., Jan. 2 (WP)—Maryland's Cotton Bowl nightmare ended yesterday as the Terrapins' left with a 21-0 defeat to the Cougars.

A couple were dropped, others were overthrown to open receivers. A sure long gainer which would have been a 77-yard touchdown connection, was thrown far over Chuck White's head early in the fourth quarter.

White, who had pinched a nerve in his shoulder earlier, also was involved in a play that best illustrated Maryland's frustrations. Down 27-7, Maryland had driven 82 yards in 15 plays to Houston's four following the second-half kickoff. On fourth-and-goal, Manges flipped a pass to White. Cornerback Anthony Francis knocked White and the ball loose out of bounds inside the Houston one.

It hardly started as that kind of an afternoon for the Terrapins. Houston won the toss and Davis fumbled the ball on the fourth play, a judgment call by the referee appeared to be moving his arm forward on a pass. But that turnover netted nothing. Maryland's Leonard missed a 37-yard field goal, his sixth miss in seven tries this season.

Houston started running at Campbell and controlling the line of scrimmage. The Cougars drove 80 yards to a 7-0 lead, Blackwell and Thomas getting big chunks behind the primary blocking of Jackie Kevin Rolwage.

Davis came up with two big third-down keeps and Thomas scored the first rushing touchdown on the Terps in 23 quarters. He took a pitch 11 yards after Davis faked the Terps with the dive option to Blackwell and that was the beginning of the end of a dream.

Eight defensive starters, who limited Colorado to 117 total yards in the second half, will be back. Hayes also set up his 1977 backfield by teaming Ron Gerald, Jeff Logan and Ron Springs.

Springs, a 196-pound sophomore tailback, was used in place of Pete Johnson, the senior fullback, who saw only spot duty on short yardage and goal-line situations. Springs rushed for 99 yards in 23 attempts (he carried only 49

times during the regular season). Logan, a junior and the Buckeyes' leading rusher, frequently lined up at fullback and scored Ohio State's first touchdown, on a 38-yard burst, and gained 80 yards.

It was Gerald, however, a wiry sophomore, who appeared to ignite the offense after replacing Jim Facente, a senior, at quarterback. Gerald directed a 99-yard scoring drive late in the second quarter that gave the Buckeyes a 17-0 half-time lead, scored the final touchdown, on a four-yard drive with Johnson's three-yard scoring run 34 seconds before the half.

The turning point came when Gerald did well on his very first play. Hayes said, referring to a 17-yard keeper preceding Logan's touchdown run that narrowed the Colorado lead. It was a disheartening defeat for Bill Mallory, the Colorado coach, who was an assistant for three years under Hayes. The Buffaloes finished the season with a 9-4 won-loss record and Ohio State 9-1-1.

"We didn't play as well as we can," Mallory said. "I take nothing away from Ohio State. They seemed to show much more quickness than they showed against Michigan. And Gerald's quickness gave us some problems."

Colorado scored on its first two series, on a 26-yard field goal by Mark Zetterberg and an 11-yard pass from Jeff Knappe to Emery Moorehead.

The first half could have ended in a 10-0 deadlock but a 15-yard piling-on penalty allowed Ohio State to retain possession deep in its territory. The Buckeyes then completed their 99-yard 15-play drive with Johnson's three-yard scoring run 34 seconds before the half.

Linebacker Rod Martin forced Michigan's quarterback to fumble twice with two direct hits, and in the fourth quarter it was a Martin sack that stopped the Wolverines on their next-to-last possession.

Tailback Charles White, the fast freshman, gained 114 yards and scored the second Trojan touchdown on a seven-yard blast.

Fullback Moe Tatu was the high-percentage runner for USC, averaging 8.8 on a net of 60 yards.

The Trojan defense made the two first stands in the fourth quarter after the Wolverines moved to the USC 33. Linebacker Eric Williams threw them for a yard loss on third-and-one and Jeter threw them for a two-yard loss on fourth-and-two.

Evans made the game's decisive big plays, passes to Diggs and Simmrin setting up the two Trojan touchdowns, one of which he scored on a fourth-and-one run.

The most useful thing Evans did was to move the Trojans 80 yards to the go-ahead touchdown in the second quarter on their first possession after Michigan scored. On a series of short runs, Michigan had advanced 50 yards to take a 6-0 lead on Lytle's one-yard dive. And now it was up to Evans to do something.

He replied with his 30-yard pass to Diggs to the Michigan 18, whence Tatu and White ran it up and Evans ran it in.

In the fourth quarter, on second-and-20, Evans reached Simmrin over the middle with the 30-yard pass that was to be the beginning of the end for Michigan. Thereupon Tatu ran the ball up and White ran it in.

Los Angeles Times.

Mexican Retains Title

TOKYO, Jan. 2 (Reuters)—Hard-hitting Guty Espadas of Mexico stopped Japanese challenger Jiro Takada in the seventh round of their scheduled 15-round title match here tonight to retain his World Boxing Association flyweight title.

Moscow Tops U.S. Colle

MADISON, Wis., Jan. 2 (UPI)—Moscow Spartak beat the University of Wisconsin's hockey team, 2-1, Friday night on a goal by Valentin Gurevich at 4:44 in the exhibition match.

College Basketball Scores

THURSDAY Tournaments

CHARLOTTE INVITATIONAL (Championship)

N.C. Charlotte 104, New Hampshire 84

(Consolation)

Davidson 70, Brown 64

EVANSVILLE INVITATIONAL (Championship)

Evansville 80, C. Michigan 64

(Consolation)

Loyola (Ill.) 71, Air Force 58

GATOR BOWL (Championship)

Florida 101, Holy Cross 85

(Consolation)

Jacksonville 85, Michigan St. 63

LOBO CLASSIC (Championship)

New Mexico 77, Southern Cal 75

(Consolation)

Town 101, Pittsburgh 80

METRA CLASSIC (Championship)

Idaho St. 68, Wyoming 63

(Consolation)

Eastern Montana 73, Fresno St. 71

FORBEC CUP (Championship)

New Orleans 84, Texas Tech 75

(Consolation)

Glenn 75, Denver 76

NHL Standings

CAMPBELL CONFERENCE

Patrick Division

Philadelphia 23 7 5 54 122 97

N.Y. Islanders 22 8 5 49 128 89

Atlanta 18 12 5 43 115

N.Y. Rangers 15 15 10 45 135



